

HOUSE BILL NO. HB0266

Sales tax-local distribution.

Sponsored by: Joint Revenue Interim Committee

A BILL

for

1 AN ACT relating to sales and use taxes; increasing the sales
2 and use tax rate; providing for distribution of the additional
3 tax revenue; and providing for an effective date.

4

5 *Be It Enacted by the Legislature of the State of Wyoming:*

6

7 **Section 1.** W.S. 39-15-104 by creating a new subsection
8 (h), 39-15-111(b)(i) by creating a new subsections (p)
9 through (s), 39-16-104 by creating a new subsection (g) and
10 39-16-111(b)(i) are amended to read:

11

12 **39-15-104. Taxation rate.**

13

14 (h) Effective July 1, 2019, in addition to the sales
15 tax under subsections (a) and (b) of this section there is
16 imposed an additional sales tax of one-half of one percent

1 (0.5%) which shall be administered as if the sales tax rate
2 under subsections (a) and (b) of this section was increased
3 from four percent (4%) to four and one-half percent (4.5%).

4
5 **39-15-111. Distribution.**

6
7 (b) Revenues earned under W.S. 39-15-104 during each
8 fiscal year shall be recognized as revenue during that fiscal
9 year for accounting purposes. For all revenue collected by
10 the department under W.S. 39-15-104 the department shall:

11
12 (i) Credit sixty-nine percent (69%) to the state
13 general fund for deposit by the state treasurer except as
14 provided by subsections (c), ~~and (d)~~ and (p) of this section
15 and less any credit allowed pursuant to W.S.
16 39-15-107(b)(xi);

17
18 (p) The department shall separately account for the
19 portion of sales and use tax revenue attributable to the sales
20 tax imposed under W.S. 39-15-104(h) and 39-16-104(g). The
21 first fifty-two million five hundred thousand dollars
22 (\$52,500,000.00) of revenue collected by the department
23 pursuant to W.S. 39-15-104(h) and 39-16-104(g) in each fiscal

1 year shall be transferred to a separate account and
2 distributed by the office of state lands and investments as
3 provided in this subsection. Any revenue above fifty-two
4 million five hundred thousand dollars (\$52,500,000.00)
5 collected in the fiscal year pursuant to W.S. 39-15-104(h)
6 and 39-16-104(g) shall be distributed for deposit in the
7 general fund. Beginning July 1, 2020 for revenue deposited in
8 a separate account as provided under this subsection during
9 the preceding fiscal year, the office of state lands and
10 investments shall:

11
12 (i) Provide two-thirds (2/3) of eighty-nine
13 percent (89%) of the total amount available for direct
14 distribution to cities and towns as provided in subsection
15 (q) of this section, provided that five percent (5%) of the
16 amount available under this paragraph shall only be
17 distributed for direct distributions to cities and towns as
18 provided in paragraph (q)(ii) of this section;

19
20 (ii) Provide one-third (1/3) of eighty-nine
21 percent (89%) of the total amount available for direct
22 distribution to counties as provided in subsection (r) of
23 this section;

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(iii) Provide five and one-half percent (5.5%) of the total amount available for direct distribution to cities and towns as provided in subsection (q) of this section, provided that five percent (5%) of the amount available under this paragraph shall only be distributed for direct distributions to cities and towns as provided in paragraph (q)(ii) of this section;

(iv) Provide five and one-half percent (5.5%) of the total amount available for direct distribution to counties as provided in subsection (r) of this section.

[CITY AND TOWN DIRECT DISTRIBUTION ALLOCATIONS]

(q) Funds distributed for cities and towns under paragraphs (p)(i) and (iii) of this section shall be distributed to cities and towns as provided in this subsection. Distributions in each fiscal year shall be made in equal amounts on August 15 and January 15 of each fiscal year as calculated prior to the August 15 distribution, subject to the following:

1 (i) From these distributions each municipality
2 with a population of thirty-five (35) or less shall first
3 receive ten thousand dollars (\$10,000.00) and each
4 municipality with a population over thirty-five (35) shall
5 first receive twenty thousand dollars (\$20,000.00). From the
6 remainder, each municipality shall receive amounts in
7 accordance with the municipal supplemental funding formula
8 provided in this paragraph. The municipal supplemental
9 funding formula shall be calculated by the office of state
10 lands and investments as follows:

11
12 (A) For each fiscal year calculate the per
13 capita sales and use tax revenues available to each
14 municipality using the sales and use tax distributions to
15 each county attributable to the fiscal year immediately
16 preceding the most recently completed fiscal year, including
17 distributions to each municipality within that county, under
18 W.S. 39-15-111(b) and 39-16-111(b), but excluding the
19 distribution exclusively to counties under W.S.
20 39-15-111(b)(iii) made from an amount equivalent to one
21 percent (1%) of the tax collected under W.S. 39-15-104, and
22 excluding the distribution exclusively to counties under W.S.

1 39-16-111(b)(iii) made from an amount equivalent to one
2 percent (1%) of the tax collected under W.S. 39-16-104;

3
4 (B) Calculate the inverse by dividing one (1)
5 by the per capita sales and use tax determined under
6 subparagraph (A) of this paragraph for each municipality;

7
8 (C) Calculate the normalized per capita sales
9 and use tax number for each municipality by dividing the
10 number determined under subparagraph (B) of this paragraph
11 for the municipality by the total of all inverse per capita
12 sales and use tax numbers calculated under subparagraph (B)
13 of this paragraph;

14
15 (D) Multiply the normalized per capita sales
16 and use tax number for each municipality by seventy-five
17 percent (75%);

18
19 (E) For each fiscal year calculate the per
20 capita assessed value for the prior tax year corresponding to
21 the most recently completed calendar year for each
22 municipality by dividing the total assessed valuation within
23 the municipality by the population of the municipality;

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(F) Calculate the inverse by dividing one (1) by the per capita assessed value determined under subparagraph (E) of this paragraph for each municipality;

(G) Calculate the normalized per capita assessed value number for each municipality by dividing the number determined under subparagraph (F) of this paragraph for the municipality by the total of all inverse per capita assessed value numbers calculated under subparagraph (F) of this paragraph;

(H) Multiply the normalized per capita assessed value number for each municipality by twenty-five percent (25%);

(J) Multiply the sum of subparagraphs (D) and (H) of this paragraph by the population of the municipality;

(K) Calculate the normalized index for each municipality by dividing the number determined under subparagraph (J) of this paragraph for the municipality by

1 the sum of all numbers calculated under subparagraph (J) of
2 this paragraph;

3
4 (M) Determine the amount to distribute to
5 each municipality by multiplying the normalized index number
6 determined under subparagraph (K) of this paragraph by the
7 amount remaining available for distribution under this
8 paragraph.

9
10 (ii) From the amounts available as provided in
11 paragraphs (p)(i) and (iii) of this section, each city or
12 town shall receive amounts in accordance with a city and town
13 revenue challenged formula as provided in this paragraph. The
14 revenue challenged formula shall be calculated by the office
15 of state lands and investments as follows:

16
17 (A) For each fiscal year, calculate the
18 lowest quartile amount received by cities and towns on a per
19 capita basis using amounts received under this subsection
20 plus amounts distributed to each city and town using the sales
21 and use tax distributions to each county attributable to the
22 fiscal year immediately preceding the most recently completed
23 fiscal year, including distributions to each municipality

1 within that county, under W.S. 39-15-111(b) and 39-16-111(b),
2 but excluding the distribution exclusively to counties under
3 W.S. 39-15-111(b)(iii) made from an amount equivalent to one
4 percent (1%) of the tax collected under W.S. 39-15-104 and
5 excluding the distribution exclusively to counties under W.S.
6 39-16-111(b)(iii) made from an amount equivalent to one
7 percent (1%) of the tax collected under W.S. 39-16-104;

8
9 (B) Determine each city or town that received
10 a per capita amount that is less than the lowest quartile
11 amount determined under subparagraph (A) of this paragraph;

12
13 (C) For each city or town that received a per
14 capita amount that is less than the lowest quartile amount as
15 provided in subparagraph (B) of this paragraph, determine the
16 amount that would be necessary to increase the per capita
17 amount distributed to that city or town to the lowest quartile
18 amount determined under subparagraph (A) of this paragraph;

19
20 (D) Determine the amount to distribute to
21 each city or town that received an amount that is less than
22 the lowest quartile amount determined under subparagraph (A)
23 of this paragraph by distributing the amount available under

1 this paragraph on a pro rata basis, up to the lowest quartile
2 amount, based on the amounts determined under subparagraph
3 (C) of this paragraph.

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5 [COUNTY DIRECT DISTRIBUTION ALLOCATIONS]

6
7 (r) Funds distributed for counties in paragraphs
8 (p)(ii) and (iv) of this section shall be distributed to
9 counties as provided in this subsection. Distributions in
10 each fiscal year shall be made in equal amounts on August 15
11 and January 15 of each fiscal year as calculated prior to the
12 August 15 distribution. From these distributions each county
13 shall receive the following:

14
15 (i) From these distributions each county with an
16 assessed value for the prior tax year corresponding to the
17 most recently completed calendar year of less than three
18 hundred thousand dollars (\$300,000.00) per mill shall first
19 receive an amount equal to three (3) times the difference
20 between three hundred thousand dollars (\$300,000.00) and the
21 actual value of one (1) mill within the county. From the
22 remainder, each county shall receive amounts in accordance
23 with a county supplemental funding formula as provided in

1 this paragraph. The county supplemental funding formula shall
2 be calculated by the office of state lands and investments as
3 follows:

4
5 (A) For each fiscal year calculate the per
6 capita sales and use tax revenues available to each county
7 using the sales and use tax distributions to each county
8 attributable to the fiscal year immediately preceding the
9 most recently completed fiscal year, excluding distributions
10 to each municipality within that county, under W.S.
11 39-15-111(b) and 39-16-111(b);

12
13 (B) Calculate the inverse by dividing one (1)
14 by the per capita sales and use tax determined under
15 subparagraph (A) of this paragraph for each county;

16
17 (C) Calculate the normalized per capita sales
18 and use tax number for each county by dividing the number
19 determined under subparagraph (B) of this paragraph for the
20 county by the total of all inverse per capita sales and use
21 tax numbers calculated under subparagraph (B) of this
22 paragraph;

23

1 (D) Multiply the normalized per capita sales
2 and use tax number determined under subparagraph (C) of this
3 paragraph for each county by twenty-four percent (24%);

4
5 (E) For each fiscal year calculate the per
6 capita assessed value for each county by dividing the total
7 assessed valuation within the county for the prior tax year
8 corresponding to the most recently completed calendar year by
9 the population of the county;

10
11 (F) Calculate the inverse by dividing one (1)
12 by the per capita assessed value determined under
13 subparagraph (E) of this paragraph for each county;

14
15 (G) Calculate the normalized per capita
16 assessed value number for each county by dividing the number
17 determined under subparagraph (F) of this paragraph for the
18 county by the total of all inverse per capita assessed value
19 numbers calculated under subparagraph (F) of this paragraph;

20
21 (H) Multiply the normalized per capita
22 assessed value number determined under subparagraph (G) of
23 this paragraph for each county by seventy-six percent (76%);

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(J) Calculate a cost of government index for each county, which shall be determined by multiplying six hundred twenty-eight (628) by the population of the county and then adding nine million nine hundred thousand (9,900,000) to the result;

(K) Calculate the normalized cost of government index number for each county by dividing the number determined under subparagraph (J) of this paragraph for the county by the total of all cost of government index numbers calculated under subparagraph (J) of this paragraph;

(M) Multiply the sum of subparagraphs (D) and (H) of this paragraph by the normalized cost of government index number determined in subparagraph (K) of this paragraph for each county;

(N) Calculate the normalized index for each county by dividing the number determined under subparagraph (M) of this paragraph for the county by the total of all numbers calculated under subparagraph (M) of this paragraph;

1 (O) Determine the amount to distribute to
2 each county by multiplying the normalized index number
3 determined under subparagraph (N) of this paragraph by the
4 amount remaining available for distribution under this
5 paragraph.

6
7 (s) For purposes of subsections (p) through (r) of this
8 section, population is to be determined by resort to the most
9 recent decennial federal census as reported by the economic
10 analysis division within the department of administration and
11 information and as defined in W.S. 8-1-102(a)(xv).

12
13 **39-16-104. Taxation rate.**

14
15 (g) Effective July 1, 2019, in addition to the sales
16 tax under subsections (a) and (b) of this section there is
17 imposed an additional sales tax of one-half of one percent
18 (0.5%) which shall be administered as if the sales tax rate
19 under subsections (a) and (b) of this section was increased
20 from four percent (4%) to four and one-half percent (4.5%).

21
22 **39-16-111. Distribution.**

23

1 (b) Revenues earned under this article during each
2 fiscal year shall be recognized as revenue during that fiscal
3 year for accounting purposes. Revenue collected by the
4 department from the taxes imposed by this article shall be
5 transferred to the state treasurer who shall, as specified by
6 the department:

7
8 (i) Credit sixty-nine percent (69%) for deposit by
9 the state treasurer to the general fund except as provided by
10 subsections (d) and (e) of this section and W.S. 39-15-111(p)
11 and less any credit allowed pursuant to W.S.
12 39-16-107(b)(viii);

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14 **Section 2.** This act is effective July 1, 2019.

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(END)