

FISCAL NOTE

The fiscal impact, in the form of a property tax revenue decrease to the School Foundation Program and local governments, is indeterminable.

Under this bill, specialized equipment designed for use in the production of energy that is stored in Wyoming prior to installation in Wyoming would be exempt from property taxation, if Wyoming sales or use tax is paid on the property at the rate imposed in the county where the property is stored.

The Department of Revenue (DOR) is unable to identify the assessed value of this type of equipment on the current tax rolls as various terms are used to describe this property ("Inventory", "Construction work in Progress (CWIP)", "Material and Supplies", "Spare parts", etc.). All are required to be reported by the property owner and assessed for property taxation under current law. This includes both locally assessed companies (refineries, mineral extraction, etc.) which are appraised by county assessors and State assessed companies (electric utilities) which are appraised by the DOR. The value of equipment stored in Wyoming in the future cannot be determined.

Wyoming is dependent on property owners to self-report all furniture, fixtures and equipment located in our state. Administration of the proposed exemption would require owners to make application on an annual basis and provide required documentation.

There should be no fiscal impact to sales or use tax collections, as this equipment is subject to sales and use tax under current law. This bill provides for a property tax exemption if Wyoming sales or use tax has been paid on the property at the rate imposed in the county where the property is stored.