

**FISCAL NOTE**

This bill extends the sunset of the sales and use tax exemption for the sale or lease of machinery used directly and predominantly in manufacturing tangible personal property to December 31, 2037. This sales and use tax exemption is scheduled to sunset effective December 31, 2027 under current law.

For FY 2023, the Department of Revenue (DOR) surveyed manufacturers on their use of the manufacturing exemption in Wyoming for purchases made between July 1, 2022 and June 30, 2023. The DOR received a 38.7% response rate to those surveys. Of those manufacturers who responded to the survey, exempt purchases from the manufacturing exemption totaled \$4.3 million. It is assumed that 51 percent of the impact of the exemption would be borne by the General Fund (2.2 million), and 49 percent of impact of the exemption would be borne by local governments (2.1 million).