

HOUSE BILL NO. HB0290

Property tax reduction and replacement act.

Sponsored by: Representative(s) Harshman, Larsen, L and
Nicholas and Senator(s) Barlow

A BILL

for

1 AN ACT relating to taxation and revenue; establishing a
2 property tax exemption for single family residential
3 properties; providing a sales and use tax to provide
4 funding to local governments due to the decrease in revenue
5 from property tax exemptions; providing an exemption to the
6 additional sales and use tax as specified; providing for
7 the distribution of the sales and use tax; making
8 conforming amendments; providing rulemaking authority;
9 specifying applicability; authorizing reimbursement for
10 other tax reductions; requiring a report; and providing for
11 an effective date.

12

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

14

1 **Section 1.** W.S. 39-11-105(a) by creating a new
2 paragraph (xlvi), 39-15-104 by creating a new subsection
3 (j), 39-15-111(b)(intro) and by creating a new subsection
4 (r), 39-16-104 by creating a new subsection (g) and
5 39-16-111(b)(intro) are amended to read:

6

7 **39-11-105. Exemptions.**

8

9 (a) The following property is exempt from property
10 taxation:

11

12 (xlvi) A portion of the fair market value of
13 single family residential properties. This exemption shall
14 only apply to property owners that reside in the single
15 family residential property not less than six (6) months of
16 the year for which the exemption is claimed. The following
17 shall apply to the exemption under this paragraph:

18

19 (A) The amount of the exemption under this
20 paragraph shall be the first two hundred thousand dollars
21 (\$200,000.00) of fair market value of the single family
22 residential property in tax year 2025 and the first one
23 million dollars (\$1,000,000.00) of fair market value of the

1 single family residential property for each tax year
2 thereafter. The amount of the exemption under this
3 subparagraph shall be inflated on an annual basis beginning
4 in tax year 2027 from one million dollars (\$1,000,000.00)
5 by the rate of inflation determined by the department using
6 the consumer price index or its successor index of the
7 United States department of labor, bureau of labor
8 statistics or two percent (2%), whichever is less;

9
10 (B) The department shall adopt rules
11 necessary to administer the exemption under this paragraph;

12
13 (C) As used in this paragraph, "single
14 family residential property" means a structure intended for
15 human habitation, including a house, modular home, mobile
16 home, townhouse or condominium that is a privately owned
17 single family dwelling unit and includes a detached garage
18 and the associated residential improved land if the land is
19 owned by the owner of the dwelling.

20
21 **39-15-104. Taxation rate.**

22

1 (j) In addition to the sales tax under subsections
2 (a) and (b) of this section, and subject to the provisions
3 of W.S. 39-15-111(r)(ii), beginning July 1, 2025 there is
4 imposed an additional sales tax as provided in this
5 subsection. The additional sales tax imposed under this
6 subsection shall not apply to sales to industrial
7 facilities as defined by W.S. 35-12-102(a)(vii) that are
8 subject to permitting by the industrial siting council
9 under W.S. 35-12-101 through 35-12-119 during the period of
10 permitting and construction of the industrial facility. The
11 revenue from the tax under this subsection shall be
12 distributed as provided in W.S. 39-15-111(r). The rate of
13 the sales tax under this subsection shall be determined as
14 follows:

15
16 (i) Except as provided in paragraph (ii) or
17 (iii) of this subsection, the rate of the additional tax
18 shall be two percent (2%), which shall be administered as
19 if the sales tax rate under subsections (a) and (b) of this
20 section was increased from four percent (4%) to six percent
21 (6%);

22

1 (ii) The additional rate specified under
2 paragraph (i) of this subsection may be reduced in
3 intervals of one quarter of one percent (0.25%) if the
4 governor certifies to the department that the amount of the
5 tax together with funds in the property tax reduction and
6 replacement account are sufficient to provide all payments
7 under W.S. 39-15-111(r)(i);

8
9 (iii) The additional rate specified under
10 paragraph (i) of this subsection shall be reduced by the
11 department to zero percent (0%) if for any reason the
12 exemption under W.S. 39-11-105(a)(xlvi) is unavailable for
13 that tax year.

14
15 **39-15-111. Distribution.**

16
17 (b) Revenues earned under W.S. 39-15-104 during each
18 fiscal year shall be recognized as revenue during that
19 fiscal year for accounting purposes. Except as otherwise
20 provided in ~~subsection~~subsections (p) and (r) of this
21 section, for all revenue collected by the department under
22 W.S. 39-15-104 the department shall:

23

1 (r) An amount equal to the tax revenue collected that
2 is attributable to the tax under W.S. 39-15-104(j) and
3 39-16-104(g) shall be transferred to the property tax
4 reduction and replacement account, which is hereby created.
5 All funds within the account shall be invested by the state
6 treasurer as provided by law and all investment earnings
7 from the account shall be credited to the account. An
8 amount in the account equal to the tax revenue collected
9 that is attributable to the tax under W.S. 39-15-104(j) and
10 39-16-104(g) from January 1 of each year through December
11 31 of each year shall be distributed as follows:

12
13 (i) An amount determined under this paragraph to
14 each county, to be distributed by county treasurers in the
15 same manner property taxes are distributed as provided in
16 W.S. 39-13-111(a)(i). On or before September 1, county
17 treasurers shall certify to the department the exemptions
18 granted under W.S. 39-11-105(a)(xlv). If the amount
19 available to distribute under this subsection is
20 insufficient to fully reimburse each county and
21 governmental entity in the county as provided in this
22 paragraph, the amount provided to each county shall be
23 proportionally reduced based on the amount of revenue

1 available. The amount calculated for each county shall be
2 determined and distributed not later than February 15 of
3 each year based on the amount of revenue that the county
4 and each governmental entity within the county lost in the
5 immediately preceding year as a result of the property tax
6 exemption under W.S. 39-11-105(a)(xlvii). Beginning January
7 1, 2026, the amount calculated for a county under this
8 paragraph shall not include any amount for mills that are
9 assessed for the repayment of bonds;

10
11 (ii) Any amount remaining after the
12 distributions in paragraph (i) of this subsection shall
13 remain in the property tax reduction and replacement
14 account. The legislature shall annually review the amounts
15 in the account and shall consider using any funds in the
16 account for direct distributions to local governments.

17
18 **39-16-104. Taxation rate.**

19
20 (g) In addition to the use tax under subsections (a)
21 and (b) of this section, and subject to the provisions of
22 W.S. 39-15-111(r), beginning July 1, 2025 there is imposed
23 an additional use tax as provided in this subsection. The

1 additional use tax imposed under this subsection shall not
2 apply to purchases by industrial facilities as defined by
3 W.S. 35-12-102(a)(vii) that are subject to permitting by
4 the industrial siting council under W.S. 35-12-101 through
5 35-12-119 during the period of permitting and construction
6 of the industrial facility. The revenue from the tax under
7 this subsection shall be distributed as provided in W.S.
8 39-15-111(r). The rate of the use tax under this subsection
9 shall be determined as follows:

10
11 (i) Except as provided in paragraph (ii) or
12 (iii) of this subsection, the rate of the additional tax
13 shall be two percent (2%), which shall be administered as
14 if the use tax rate under subsections (a) and (b) of this
15 section was increased from four percent (4%) to six percent
16 (6%);

17
18 (ii) The additional rate specified under
19 paragraph (i) of this subsection may be reduced in
20 intervals of one quarter of one percent (0.25%) if the
21 governor certifies to the department that the amount of the
22 tax together with funds in the property tax reduction and

1 replacement account are sufficient to provide all payments
2 under W.S. 39-15-111(r)(i);

3

4 (iii) The additional rate specified under
5 paragraph (i) of this subsection shall be reduced by the
6 department to zero percent (0%) if for any reason the
7 exemption under W.S. 39-11-105(a)(xlvi) is unavailable for
8 any tax year.

9

10 **39-16-111. Distribution.**

11

12 (b) Revenues earned under this article during each
13 fiscal year shall be recognized as revenue during that
14 fiscal year for accounting purposes. Except as provided in
15 W.S. 39-15-111(r) for revenue attributable to the tax under
16 W.S. 39-16-104(g), revenue collected by the department from
17 the taxes imposed by this article shall be transferred to
18 the state treasurer who shall, as specified by the
19 department:

20

21 **Section 2.** The department of revenue shall adopt
22 rules necessary to implement this act not later than July
23 1, 2025.

1

2 **Section 3.** The property tax exemption provided by
3 W.S. 39-11-105(a)(xlvi), as created by section 1 of this
4 act, shall first apply to the tax year beginning January 1,
5 2025.

6

7 **Section 4.**

8

9 (a) If 2025 Senate File 48, 2025 Senate file 49 or
10 both are enacted into law, the department of revenue shall:

11

12 (i) In consultation with the county treasurers,
13 determine, to the extent practicable, the reduction in
14 revenues to local governments as a result of the tax
15 exemption that is amended in 2025 Senate File 48 and the
16 revision to the valuation of personal property in 2025
17 Senate File 49. Any reduction in revenues determined under
18 this paragraph shall, to the extent funds are available, be
19 reimbursed to counties in the same manner as provided in
20 W.S. 39-15-111(r)(i), as created by section 1 of this act;

21

22 (ii) Report to the joint revenue interim
23 committee any recommended statutory changes necessary to

1 include any revenue reductions as a result of 2025 Senate
2 File 48 or 2025 Senate File 49 in the reimbursement to
3 counties under W.S. 39-15-111(r)(i). The recommendations
4 shall include any necessary reporting requirements from
5 counties or taxpayers to enable the calculation of revenue
6 reductions. The report under this paragraph shall be
7 provided not later than August 1, 2025.

8

9 **Section 5.** This act is effective immediately upon
10 completion of all acts necessary for a bill to become law
11 as provided by Article 4, Section 8 of the Wyoming
12 Constitution.

13

14

(END)