

HOUSE BILL NO. HB0118

Residential property tax replacement.

Sponsored by: Joint Revenue Interim Committee

A BILL

for

1 AN ACT relating to taxation and revenue; providing for the
2 valuation of residential property; providing a sales and
3 use tax to provide funding to local governments due to the
4 decrease in revenue from the valuation of residential
5 property; providing an exemption to the additional sales
6 and use tax as specified; creating an account; providing
7 for distribution of the sales and use tax; making
8 conforming amendments; making the act contingent on passage
9 of a constitutional amendment; and providing for effective
10 dates.

11

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

13

14 **Section 1.** W.S. 39-11-101(a)(xvii) by creating a new
15 subparagraph (C), by renumbering (C) as (D) and by creating
16 a new paragraph (xix), 39-13-103(b)(iii)(intro), by

1 creating a new subparagraph (C) and by renumbering (C) as
2 (D), 39-15-104 by creating a new subsection (j),
3 39-15-111(b)(intro) and by creating a new subsection (s),
4 39-16-104 by creating a new subsection (g) and
5 39-16-111(b)(intro) are amended to read:

6

7 **39-11-101. Definitions.**

8

9 (a) As used in this act unless otherwise specifically
10 provided:

11

12 (xvii) "Taxable value" means a percent of the
13 fair market value of property in a particular class as
14 follows:

15

16 (C) Residential real property, zero percent
17 (0%);

18

19 ~~(C)~~ (D) All other property, real and
20 personal, including property valued and assessed under W.S.
21 39-13-102(m)(vi) and (ix), nine and one-half percent
22 (9.5%).

23

1 (xix) "Residential real property" means real
2 property improved by a dwelling designed to house not more
3 than three (3) families and includes associated residential
4 land where the dwelling is located if the land is owned by
5 the owner of the dwelling. The dwelling may be any type of
6 residence including a single family home or an individual
7 condominium unit if the dwelling is used as a primary
8 residence.

9
10 **39-13-103. Imposition.**

11
12 (b) Basis of tax. The following shall apply:

13
14 (iii) ~~Beginning January 1, 1989,~~ "Taxable value"
15 means a percent of the fair market value of property in a
16 particular class as follows:

17
18 (C) Residential real property, zero percent
19 (0%);

20
21 ~~(C)~~ (D) All other property, real and
22 personal, nine and one-half percent (9.5%).

1 **39-15-104. Taxation rate.**

2

3 (j) In addition to the sales tax under subsections
4 (a) and (b) of this section, beginning April 1, 2027 there
5 is imposed an additional sales tax as provided in this
6 subsection. The additional sales tax imposed under this
7 subsection shall not apply to sales to industrial
8 facilities as defined by W.S. 35-12-102(a)(vii) that are
9 subject to permitting by the industrial siting council
10 under W.S. 35-12-101 through 35-12-119 during the period of
11 permitting and construction of the industrial facility. The
12 revenue from the tax under this subsection shall be
13 distributed as provided in W.S. 39-15-111(s). The rate of
14 the sales tax under this subsection shall be two percent
15 (2%), which shall be administered as if the sales tax rate
16 under subsections (a) and (b) of this section was increased
17 from four percent (4%) to six percent (6%).

18

19 **39-15-111. Distribution.**

20

21 (b) Revenues earned under W.S. 39-15-104 during each
22 fiscal year shall be recognized as revenue during that
23 fiscal year for accounting purposes. Except as otherwise

1 provided in ~~subsection~~ subsections (p) and (s) of this
2 section, for all revenue collected by the department under
3 W.S. 39-15-104 the department shall:

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

14
15 (i) Not later than September 1 of each year,
16 each county assessor shall certify to the department the
17 amount of tax reduction in the county due to the valuation
18 of residential real property under W.S.
19 39-11-101(a)(xvii)(C). The amount of tax reduction shall be
20 calculated as follows:

1 (A) The county assessor shall assess all
2 residential real property using a taxable value of nine and
3 one-half percent (9.5%);

4
5 (B) The county assessor shall apply any
6 exemptions applicable to the residential real property
7 under W.S. 39-11-105(a)(xliii), (xliv), (xlv) and (xlvi) to
8 determine the reduced taxable value of the residential real
9 property;

10
11 (C) The number of mills applicable to the
12 residential real property shall be applied to the reduced
13 taxable values determined under subparagraph (B) of this
14 paragraph to determine the total tax reductions in the
15 county. The county assessor shall report the tax reduction
16 determined under this subparagraph to the county treasurer.
17 Beginning January 1, 2028, the amount calculated under this
18 subparagraph shall not include any amount for mills that
19 are assessed for the repayment of bonds.

20
21 (ii) The tax reductions reported under paragraph
22 (i) of this subsection shall be used by the department of
23 revenue to distribute an amount determined under this

1 paragraph to each county, to be distributed by county
2 treasurers in the same manner property taxes are
3 distributed as provided in W.S. 39-13-111(a)(i). If the
4 amount available to distribute under this subsection is
5 insufficient to fully reimburse each county and
6 governmental entity in the county for tax reductions
7 reported under paragraph (i) of this subsection, the amount
8 provided to each county shall be proportionally reduced
9 based on the total tax reductions reported and the amount
10 of revenue available. The amount calculated for each county
11 shall be determined and distributed not later than February
12 15 of each year based on the amount of revenue that the
13 county and each governmental entity within the county lost
14 in the immediately preceding year;

15
16 (iii) Any amount remaining after the
17 distributions in paragraph (ii) of this subsection shall
18 remain in the property tax reduction and replacement
19 account. The legislature shall annually review the amounts
20 in the account and shall consider using any funds in the
21 account for direct distributions to local governments.

22
23 **39-16-104. Taxation rate.**

1
2 (g) In addition to the use tax under subsections (a)
3 and (b) of this section, beginning April 1, 2027 there is
4 imposed an additional use tax as provided in this
5 subsection. The additional use tax imposed under this
6 subsection shall not apply to purchases by 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(s). The rate of
13 the use tax under this subsection shall be two percent
14 (2%), which shall be administered as if the use tax rate
15 under subsections (a) and (b) of this section was increased
16 from four percent (4%) to six percent (6%).

17
18 **39-16-111. Distribution.**

19
20 (b) Revenues earned under this article during each
21 fiscal year shall be recognized as revenue during that
22 fiscal year for accounting purposes. Except as provided in
23 W.S. 39-15-111(s) for revenue attributable to the tax under

1 W.S. 39-16-104(g), revenue collected by the department from
2 the taxes imposed by this article shall be transferred to
3 the state treasurer who shall, as specified by the
4 department:

5
6 **Section 2.** This act shall be effective only upon
7 certification by the secretary of state that the electors
8 have adopted the amendment to the Wyoming Constitution at
9 the 2026 general election as provided in 2026 Senate Joint
10 Resolution 0003.

11
12 **Section 3.**

13
14 (a) Except as otherwise provided in subsection (b) of
15 this section, this act is effective immediately upon
16 completion of all acts necessary for a bill to become law
17 as provided by Article 4, Section 8 of the Wyoming
18 Constitution.

19
20 (b) Subject to section 2 of this act, section 1 of
21 this act is effective January 1, 2027.

22
23 (END)