



DEPARTMENT OF REVENUE


Herschler Building
2nd Floor West
122 West 25th Street
Cheyenne, Wyoming 82002-0110
E-Mail: directorofrevenue@wyo.gov
Web: <http://revenue.wyo.gov>

MATTHEW H. MEAD, *Governor*
DANIEL W. NOBLE, *Director*

Telephone (307) 777-7961
DOR Main FAX (307) 777-7722
Property Tax FAX (307) 777-7527
Excise FAX (307) 777-3632
Mineral FAX (307) 777-7849
Liquor FAX (307) 777-6255

MEMORANDUM

TO: CO-CHAIRMEN, JOINT INTERIM REVENUE COMMITTEE
COMMITTEE MEMBERS

FROM:  DANIEL W. NOBLE, DIRECTOR
DEPARTMENT OF REVENUE

DATE: SEPTEMBER 21, 2016

SUBJECT: TAX PROJECTIONS

The Power Company of Wyoming asked the Department to review a tax projection prepared in advance of the Joint Interim Revenue Committee meeting in Buffalo. The documents provided include a twenty-six year projection of estimated property taxes which would be paid upon construction of the phases 1 and 2 of the Choke Cherry/Sierra Madre wind project as well as a similar projection of the generation taxes paid over the same period. The third projection was of sales and use taxes paid on the construction of the turbines. From our review of the calculations, the projections utilized the appropriate formulas in calculating the taxes owed. The results appear accurate based on the inputs utilized. We cannot speak to the accuracy of the capital costs presented in their projections. The Department is not rendering an opinion regarding any comparisons made of this data.

ATTACHMENT A

Property Tax Estimate for CCSIM Project

Activity/Item Rebill Property Index	Phase I					Phase II					Total Real Property Taxes Payable Phase II
	Estimated MW Based on the Approach	Assessed Value (MW x 10.5%)	2015 Mill Levy Carbon County Tax District 0201	Real Property Taxes Payable Phase I	Estimated MW Based on the Approach	Assessed Value (MW x 10.5%)	2015 Mill Levy Carbon County Tax District 0201	Real Property Taxes Payable Phase II	2015 Mill Levy Carbon County Tax District 0201 Approximately 33% of Phase II	Real Property Taxes Payable Carbon County Tax District 0201	
0	\$9,429,289	\$1,084,368	63.450	\$68,803	\$0	\$0	\$0	63.450	\$0	\$0	0
1	\$58,674,365	\$6,747,552	63.450	\$428,132	\$0	\$0	\$0	63.450	\$0	\$0	0
2	\$165,399,918	\$19,020,991	63.450	\$1,206,882	\$0	\$0	\$0	63.450	\$0	\$0	0
3	\$1,253,598,406	\$144,163,817	63.450	\$9,147,194	\$0	\$0	\$0	63.450	\$0	\$0	0
4	\$2,464,861,893	\$283,459,118	63.450	\$17,985,481	\$0	\$0	\$0	63.450	\$0	\$0	0
5	\$2,341,618,798	\$269,286,162	63.450	\$17,086,207	\$53,147,407	\$6,111,952	\$259,828	63.450	\$124,042	\$383,870	\$383,870
6	\$2,218,375,704	\$255,113,206	63.450	\$16,186,933	\$1,226,775,719	\$141,079,208	\$5,997,489	63.450	\$2,863,203	\$8,660,692	\$8,660,692
7	\$2,095,132,609	\$240,940,250	63.450	\$15,287,659	\$2,322,378,107	\$267,073,482	\$11,353,694	63.450	\$5,420,256	\$16,773,950	\$16,773,950
8	\$1,971,889,514	\$226,767,294	63.450	\$14,388,385	\$2,206,259,202	\$253,719,808	\$10,786,010	63.450	\$5,149,244	\$15,935,254	\$15,935,254
9	\$1,848,646,420	\$212,594,338	63.450	\$13,489,111	\$2,090,140,296	\$240,366,134	\$10,218,325	63.450	\$4,878,231	\$15,096,556	\$15,096,556
10	\$1,725,403,325	\$198,421,382	63.450	\$12,589,837	\$1,974,021,391	\$227,012,460	\$9,650,640	63.450	\$4,607,218	\$14,257,858	\$14,257,858
11	\$1,602,160,230	\$184,248,427	63.450	\$11,690,563	\$1,857,902,486	\$213,658,786	\$9,082,955	63.450	\$4,336,205	\$13,419,160	\$13,419,160
12	\$1,478,917,136	\$170,075,471	63.450	\$10,791,289	\$1,741,783,580	\$200,305,112	\$8,515,271	63.450	\$4,065,192	\$12,580,463	\$12,580,463
13	\$1,355,674,041	\$155,902,515	63.450	\$9,892,015	\$1,625,664,675	\$186,951,438	\$7,947,586	63.450	\$3,794,179	\$11,741,765	\$11,741,765
14	\$1,232,430,947	\$141,729,559	63.450	\$8,992,741	\$1,509,545,770	\$173,597,763	\$7,379,901	63.450	\$3,523,167	\$10,903,068	\$10,903,068
15	\$1,109,187,852	\$127,556,603	63.450	\$8,093,466	\$1,393,426,864	\$160,244,089	\$6,812,217	63.450	\$3,252,154	\$10,064,371	\$10,064,371
16	\$985,944,757	\$113,383,647	63.450	\$7,194,192	\$1,277,307,959	\$146,890,415	\$6,244,532	63.450	\$2,981,141	\$9,225,673	\$9,225,673
17	\$862,701,663	\$99,210,691	63.450	\$6,294,918	\$1,161,189,054	\$133,536,741	\$5,676,847	63.450	\$2,710,128	\$8,386,975	\$8,386,975
18	\$739,458,568	\$85,037,735	63.450	\$5,395,644	\$1,045,070,148	\$120,183,067	\$5,109,162	63.450	\$2,439,115	\$7,548,277	\$7,548,277
19	\$616,215,473	\$70,864,779	63.450	\$4,496,370	\$928,951,243	\$93,475,719	\$4,541,478	63.450	\$2,168,103	\$6,709,581	\$6,709,581
20	\$492,972,379	\$56,691,824	63.450	\$3,597,096	\$812,832,337	\$80,122,045	\$3,973,793	63.450	\$1,897,090	\$5,870,883	\$5,870,883
21	\$492,972,379	\$56,691,824	63.450	\$3,597,096	\$696,713,432	\$66,768,371	\$3,406,108	63.450	\$1,626,077	\$5,032,185	\$5,032,185
22	\$492,972,379	\$56,691,824	63.450	\$3,597,096	\$580,594,527	\$53,414,696	\$2,838,424	63.450	\$1,355,064	\$4,193,488	\$4,193,488
23	\$492,972,379	\$56,691,824	63.450	\$3,597,096	\$464,475,621	\$53,414,696	\$2,270,739	63.450	\$1,084,051	\$3,354,790	\$3,354,790
24	\$492,972,379	\$56,691,824	63.450	\$3,597,096	\$464,475,621	\$53,414,696	\$2,270,739	63.450	\$1,084,051	\$3,354,790	\$3,354,790
25	\$492,972,379	\$56,691,824	63.450	\$3,597,096	\$464,475,621	\$53,414,696	\$2,270,739	63.450	\$1,084,051	\$3,354,790	\$3,354,790
26	\$492,972,379	\$56,691,824	63.450	\$3,597,096	\$464,475,621	\$53,414,696	\$2,270,739	63.450	\$1,084,051	\$3,354,790	\$3,354,790
Total Phase I				\$215,885,494							
Total Phase I and II				\$215,885,494	Total Phase II						\$190,403,229
											\$406,288,723

Notes:
 1) Based on Capital Costs as estimated in PCW's permit application under the Industrial Siting Act, subject to change based on final equipment selections, schedule, and construction costs
 2) PCW estimates that approximately 33% of the Phase II turbines are located in Carbon County Tax District 0201, estimates are subject to change as final turbine layout has not been determined

ATTACHMENT B

Sales/Use Tax Estimates and Distribution

Estimated Taxable Sales		\$3,873,622,462	
State Rate	4%	\$154,944,898	
State General Fund	69.00%	\$106,911,980	
Admin Fee for General Fund	0.31%	\$480,329	
County Bucket	1.00%	\$1,549,449	
Albany			\$99,789
Big Horn			\$32,076
Campbell			\$126,823
Carbon			\$43,669
Baggs			\$1,210
Elk Mountain			\$525
Dixon			\$267
Encampment			\$1,237
Hanna			\$2,312
Medicine Bow			\$781
Rawlins			\$25,454
Riverside			\$143
Saratoga			\$4,646
Sinclair			\$1,190
Rural Pcp (Carbon County)			\$5,905
Converse			\$38,028
Crook			\$19,472
Fremont			\$110,301
Goshen			\$36,422
Hot Springs			\$13,229
Johnson			\$23,557
Laramie			\$252,194
Lincoln			\$49,775
Natrona			\$207,418
Niobrara			\$6,829
Park			\$77,538
Platte			\$23,826
Sheridan			\$80,042
Sublette			\$28,170
Sweetwater			\$120,426
Teton			\$58,539
Uintah			\$58,055
Washakie			\$23,458
Weston			\$19,815

The sales tax estimates provided in this document are estimates only and are based upon current law and information and the assumptions set forth in this document, and are subject to refinement.

Carbon County's General Fund	29.69%	\$46,003,140	
Baggs			\$1,274,245
Elk Mountain			\$553,138
Dixon			\$280,913
Encampment			\$1,303,205
Hanna			\$2,435,546
Medicine Bow			\$822,467
Rawlins			\$26,814,169
Riverside			\$150,593
Saratoga			\$4,894,259
Sinclair			\$1,253,973
Rural Pop (Carbon County)			\$6,220,632
General Purpose	1%	\$38,736,225	
Admin Fee for General Purpose	1.00%	\$387,362	
Carbon County General Purpose	99.00%	\$38,348,862	
Baggs			\$1,062,228
Elk Mountain			\$461,104
Dixon			\$234,173
Encampment			\$1,086,370
Hanna			\$2,030,305
Medicine Bow			\$685,620
Rawlins			\$22,352,667
Riverside			\$125,536
Saratoga			\$4,079,923
Sinclair			\$1,045,329
Rural Pop (Carbon County)			\$5,185,606
Specific Purpose	1%	\$38,736,225	
Admin Fee for Specific Purpose	1.00%	\$387,362	
Carbon County Specific Purpose	99.00%	\$38,348,862	
Sales Tax paid by PCW	6%	\$232,417,348	

Assumptions:

Taxable Sales estimated by Mortenson in 2014-02-10 CCSM ISC Application Cost and Labor Analysis - Construction.xlsx

Population figures are based upon 2010 Census Data.

Distribution is based on W.S. § 39-15-104, W.S. § 39-15-111, W.S. § 39-16-104, and W.S. § 39-15-204.

The sales tax estimates provided in this document are estimates only and are based upon current law and information and the assumptions set forth in this document, and are subject to refinement.

2010 Census Data for calculations

Population by County

County	Population*	Pop. %
Albany	36,299	6.4%
Big Horn	11,668	2.1%
Campbell	46,133	8.2%
Carbon	15,885	2.8%
Converse	13,833	2.5%
Crook	7,083	1.3%
Fremont	40,123	7.1%
Goshen	13,249	2.4%
Hot Springs	4,812	0.9%
Johnson	8,569	1.5%
Laramie	91,738	16.3%
Lincoln	18,106	3.2%
Natrona	75,450	13.4%
Niobrara	2,484	0.4%
Park	28,205	5.0%
Platte	8,667	1.5%
Sheridan	29,116	5.2%
Sublette	10,247	1.8%
Sweetwater	43,806	7.8%
Teton	21,294	3.8%
Uinited	21,118	3.7%
Washakie	8,533	1.5%
Weston	7,208	1.3%
Total Wyom	563,626	100.0%

Population by Carbon County Municipalities

Municipality	Population*	Pop. %
Baggs	440	2.8%
Elk Mountain	191	1.2%
Dixon	97	0.6%
Encampment	450	2.8%
Hanna	841	5.3%
Medicine Bow	284	1.8%
Rawlins	9,259	58.3%
Riverside	52	0.3%
Saratoga	1,690	10.6%
Sinclair	433	2.7%
Rural Pop (Carbon County)	2,148	13.5%
Total Population	15,885	100.0%

*Population figures based on 2010 Census Data.

The sales tax estimates provided in this document are estimates only and are based upon current law and information and the assumptions set forth in this document, and are subject to refinement.

**Sales/Use Tax Receipts Totals by Entity Over
Construction Period**

State General Fund	\$106,911,980	
Carbon County	\$49,761,006	\$122,744,534
Rawlins	\$49,192,290	
Saratoga	\$8,978,828	
Hanna	\$4,468,162	
Encampment	\$2,390,812	
Sinclair	\$2,300,493	
Baggs	\$2,337,683	
Medicine Bow	\$1,508,868	
Elk Mountain	\$1,014,767	
Dixon	\$515,353	
Riverside	\$276,272	
Albany County	\$99,789	
Natrona County	\$207,418	
Sweetwater County	\$120,426	
Other Wyoming Counties	\$1,078,148	
	\$231,162,294	

The sales tax estimates provided in this document are estimates only and are based upon current law and information and the assumptions set forth in this document, and are subject to refinement.

ATTACHMENT C

Generation Tax Estimate for CCSM Project					
Year	Phase I		Phase II		Total WY Wind Generation Tax
	Generation Phase I (GWh)	WY Wind Generation Tax (\$1.00/MWh)	Generation Phase II (GWh)	WY Wind Generation Tax (\$1.00/MWh)	
0	0	\$0	0	\$0	\$0
1	0	\$0	0	\$0	\$0
2	0	\$0	0	\$0	\$0
3	0	\$0	0	\$0	\$0
4	5,913	\$0	0	\$0	\$0
5	5,913	\$0	0	\$0	\$0
6	5,929	\$0	0	\$0	\$0
7	5,913	\$5,913,000	5,256	\$0	\$5,913,000
8	5,913	\$5,913,000	5,256	\$0	\$5,913,000
9	5,913	\$5,913,000	5,256	\$0	\$5,913,000
10	5,929	\$5,929,200	5,270	\$5,270,400	\$11,199,600
11	5,913	\$5,913,000	5,256	\$5,256,000	\$11,169,000
12	5,913	\$5,913,000	5,256	\$5,256,000	\$11,169,000
13	5,913	\$5,913,000	5,256	\$5,256,000	\$11,169,000
14	5,929	\$5,929,200	5,270	\$5,270,400	\$11,199,600
15	5,913	\$5,913,000	5,256	\$5,256,000	\$11,169,000
16	5,913	\$5,913,000	5,256	\$5,256,000	\$11,169,000
17	5,913	\$5,913,000	5,256	\$5,256,000	\$11,169,000
18	5,929	\$5,929,200	5,270	\$5,270,400	\$11,199,600
19	5,913	\$5,913,000	5,256	\$5,256,000	\$11,169,000
20	5,913	\$5,913,000	5,256	\$5,256,000	\$11,169,000
21	5,913	\$5,913,000	5,256	\$5,256,000	\$11,169,000
22	5,929	\$5,929,200	5,270	\$5,270,400	\$11,199,600
23	5,913	\$5,913,000	5,256	\$5,256,000	\$11,169,000
24	5,913	\$5,913,000	5,256	\$5,256,000	\$11,169,000
25	5,913	\$5,913,000	5,256	\$5,256,000	\$11,169,000
26	5,929	\$5,929,200	5,270	\$5,270,400	\$11,199,600
Total Phase I		\$118,341,000	Total Phase II		\$89,424,000
Total Phase I and Phase II					\$207,765,000

1) Additional day of generation due to leap year.