Wyoming Taxation

WYOMING LEGISLATIVE SERVICE OFFICE

May 10-11, 2021 – Joint Revenue Interim Committee

Presentation Contents

- Constitutional Provisions
- Timeline of Significant Tax Changes in Wyoming
- Other Resources

Wyoming Constitution Article 15

- **Section 1 - Assessment of lands and improvements thereon.** All lands and improvements thereon shall be listed for assessment, valued for taxation and assessed separately.
- **Section 2 - Assessment of coal lands.** All coal lands in the state from which coal is not being mined shall be listed for assessment, valued for taxation and assessed according to value.

Wyoming Constitution Article 15 Continued

- **Section 3 - Taxation of mines and mining claims.**

All mines and mining claims from which gold, silver and other precious metals, soda, saline, coal, mineral oil or other valuable deposit, is or may be produced shall be taxed in addition to the surface improvements, and in lieu of taxes on the lands, on the gross product thereof, as may be prescribed by law; provided, that the product of all mines shall be taxed in proportion to the value thereof.

Wyoming Constitution Article 15 Continued

- **Section 4 - State levy limited.** For state revenue, there shall be levied annually a tax not to exceed four mills on the dollar of the assessed valuation of the property in the state except for the support of state educational and charitable institutions, the payment of the state debt and the interest thereon.
- **Section 5 – County levies –** 12 mills
- **Section 6 – City levies –** 8 mills
  - **Primary/Essential Function**

Wyoming Constitution Article 15 Continued

- **Section 11. Uniformity of assessment required.** Amended in 1988
  - (a) Uniform valuation of property at full value in three classes: gross product of minerals, industrial property and all other property.
  - (b) Ag property valued at capability of land to produce. Legislature prescribe percentage of assessment.
  - (c) Legislature cannot create new classes or subclasses
  - (d) All taxation shall be equal and uniform within each class of property.

Wyoming Constitution Article 15 Continued

- **Section 12 - Exemptions from taxation.** The property of the United States, the state, counties, cities, towns, school districts and municipal corporations, when used primarily for a governmental purpose, and public libraries, lots with the buildings thereon used exclusively for religious worship, church parsonages, church schools and public cemeteries, shall be exempt from taxation, and such other property as the legislature may by general law provide.

Wyoming Constitution Article 15 Continued

- **Section 15. State tax for support of public schools.** For the support of the public schools in the state there may be levied each year a state tax not exceeding twelve mills on the dollar of the assessed valuation of the property in the state.
- **Section 17. County levy for schools** – 6 mills – allows for recapture.
- Both sections amended in 1981 following Washakie decision. Section 17 amended again in 2006

Wyoming Constitution Article 15 Continued

- **Section 16. Disposition of fees, excises and license taxes on vehicles and gasoline.** Requires all fees and taxes on vehicles to be expended for costs related to public highways, county roads, bridges, and streets, alleys and bridges in cities and towns, and expense of enforcing state traffic laws.

Wyoming Constitution Article 15 Continued

- **Section 18. Full tax credit allowed against any liability arising from a tax on income.** Added in 1973.
- **Section 19. Mineral excise tax; distribution.** Added in 1974. Requires a 1.5% tax on oil, gas and coal production that is dedicated to the Permanent Wyoming Mineral Trust Fund.
- **Section 20. Higher education trust funds; investments; earnings.** Added in 2006.

Wyoming Constitution Other Tax Provisions

- **Article 1, Section 28. Taxation; consent of people; uniformity and equality.** Amended in 1988, catch title not changed.
- **Article 3, Section 27. Special and local laws prohibited.** Taxes and exemptions specifically listed.
- **Article 3, Section 33. Origin of revenue bills.** All bills for raising revenue shall originate in the house of representatives; but the senate may propose amendments, as in case of other bills.

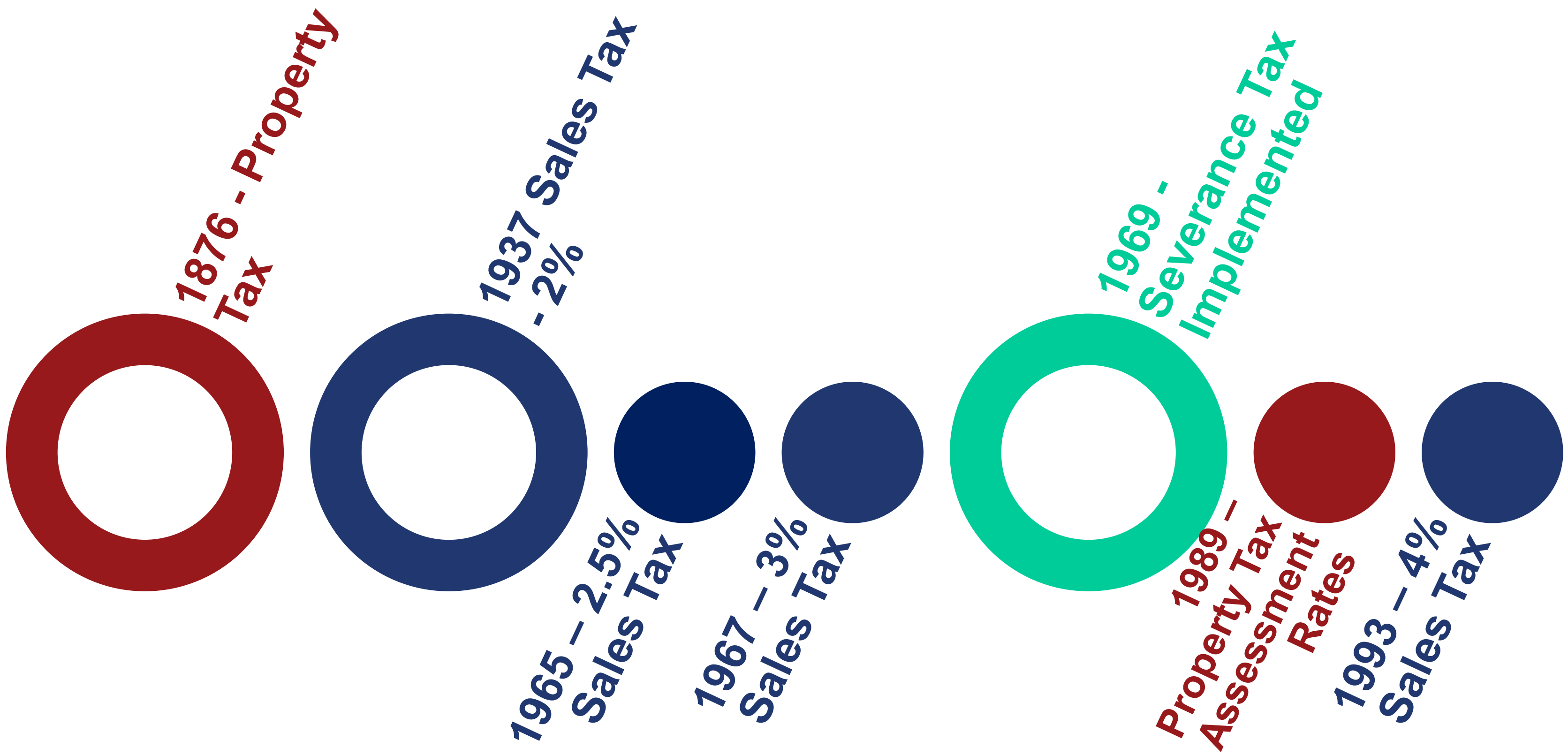
Wyoming Constitution
Other Tax Provisions

- **Article 7, Section 9. Taxation for schools.** The legislature shall make such further provision by taxation or otherwise, as with the income arising from the general school fund will create and maintain a thorough and efficient system of public schools, adequate to the proper instruction of all youth of the state, between the ages of six and twenty-one years, free of charge; and in view of such provision so made, the legislature shall require that every child of sufficient physical and mental ability shall attend a public school during the period between six and eighteen years for a time equivalent to three years, unless educated by other means.

Other Constitutional Considerations

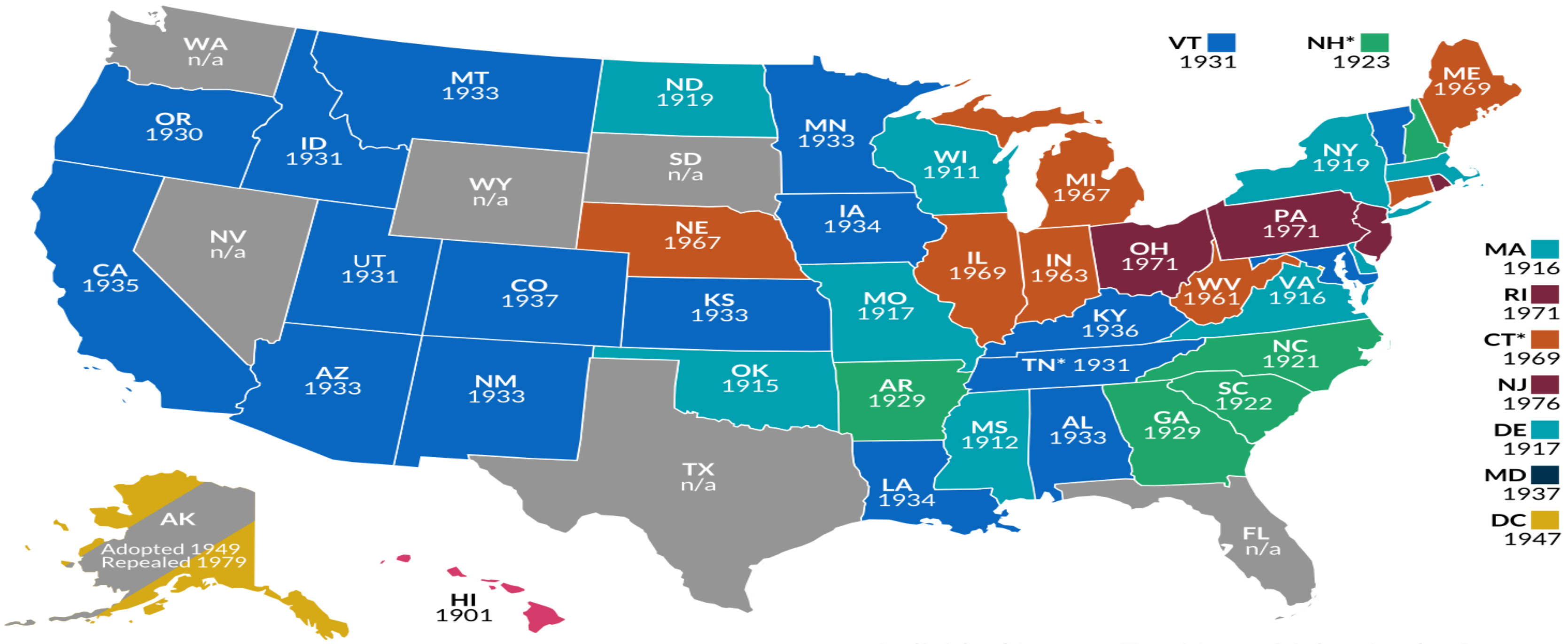
- **Equal Protection**
  - **Wyoming Constitution Article 1, Section 34. Uniform operation of general law.**
  - **United States Constitution, Fourteenth Amendment, Section 1.** No State shall…deny to any person within its jurisdiction the equal protection of the laws.
- **Interstate Commerce Clause**
  - **United States Constitution, Article 1, Section 8, Clause 3.** The Congress shall have the Power…To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;

Timeline


1876 - Property Tax
1937 Sales Tax - 2%
1965 – 2.5% Sales Tax
1967 – 3% Sales Tax
1969 - Severance Tax Implemented
1989 – Property Tax Assessment Rates
1993 – 4% Sales Tax

Individual Income Tax: Year of Adoption by State

TAX FOUNDATION Since 1937



Note: New Hampshire and Tennessee only tax interest and dividend income. Connecticut only taxed capital gains, interest, and dividends from 1969-1990; in 1991, the state imposed the tax on salaries and wages. Alaska repealed its income tax in 1979. Map published June 10, 2014.

Source: *Significant Features of Fiscal Federalism: Budget Processes and Tax Systems*, Vol. 1, 1994

Individual Income Tax: Year of Adoption by State

1900-'09 | '10-'19 | '20-'29 | '30-'39

'40-'49 | '60-'69 | '70-'79 | No Income Tax

taxfoundation.org/maps

Other Resources

- **Table of Statutory Changes – from 1977 through current.**
- **Table of Mineral Tax Changes – from 1969 through current.**