

The State



of Wyoming

DEPARTMENT OF REVENUE

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MEMORANDUM

TO: JOINT REVENUE COMMITTEE

FROM: TERRI LUCERO, ADMINISTRATOR, EXCISE TAX DIVISION

DATE: SEPTEMBER 22, 2021

SUBJECT: MODERNIZATION OF SALES TAX – TAXATION OF SERVICES

The estimates on the attached spreadsheet are based on information of tax collections on services from the state of South Dakota adjusted for Wyoming's population. The spreadsheet also includes estimates of tax collection, assuming the repeal of the manufacturing machinery exemption and the data center exemption.

**Enhancing Revenues
Broadening the State Sales Tax**

	Taxable Sales FY21	Conversion to Wyoming Sales at 65% of South Dakota's population	Potential revenue at average statewide rate of 5.35%	State General Fund Revenue	Local Government Revenue
Agricultural Services					
Veterinary Services, Specialties	\$ 78,582,331	\$ 51,408,561	\$ 2,750,358	\$ 1,408,347	\$ 1,342,011
Landscape Counseling & Planning	\$ 7,345,941	\$ 4,805,715	\$ 257,106	\$ 131,653	\$ 125,452
Lawn and Garden Services	\$ 99,417,179	\$ 65,038,719	\$ 3,479,571	\$ 1,781,747	\$ 1,697,824
Total	\$ 185,345,451	\$ 121,252,994	\$ 6,487,035	\$ 3,321,747	\$ 3,165,288
Business Services					
Commercial Art and Graphic Design	\$ 6,501,031	\$ 4,252,974	\$ 227,534	\$ 116,511	\$ 111,023
Court reporting services	\$ 15,759,091	\$ 10,309,597	\$ 551,563	\$ 282,433	\$ 269,130
Disinfecting and Pest Control Services	\$ 27,447,697	\$ 17,956,283	\$ 960,661	\$ 491,916	\$ 468,746
Building Maintenance Service	\$ 84,672,018	\$ 55,392,434	\$ 2,963,495	\$ 1,517,485	\$ 1,446,010
Computer programming Services	\$ 76,775,860	\$ 50,226,768	\$ 2,687,132	\$ 1,375,971	\$ 1,311,161
Data Processing Services	\$ 79,442,954	\$ 51,971,581	\$ 2,780,480	\$ 1,423,771	\$ 1,356,709
Business Services NEC	\$ 229,775,368	\$ 150,319,046	\$ 8,042,069	\$ 4,118,017	\$ 3,924,052
Total	\$ 520,374,019	\$ 340,428,683	\$ 18,212,935	\$ 9,326,104	\$ 8,886,831
Engineering & Management Services					
Engineering Services	\$ 111,578,655	\$ 72,994,756	\$ 3,905,219	\$ 1,999,704	\$ 1,905,515
Architectural Services	\$ 17,331,895	\$ 11,338,536	\$ 606,611	\$ 310,621	\$ 295,990
Surveying Services	\$ 10,806,215	\$ 7,069,426	\$ 378,214	\$ 193,668	\$ 184,546
Accounting, Auditing & Bookkeeping	\$ 203,070,808	\$ 132,848,923	\$ 7,107,417	\$ 3,639,420	\$ 3,467,998
Commercial Research	\$ 2,502,458	\$ 1,637,108	\$ 87,585	\$ 44,849	\$ 42,736
Testing Laboratories	\$ 34,990,497	\$ 22,890,783	\$ 1,224,657	\$ 627,097	\$ 597,560
Management Services	\$ 49,590,884	\$ 32,442,356	\$ 1,735,666	\$ 888,764	\$ 846,902
Management Consulting Services	\$ 113,277,267	\$ 74,105,988	\$ 3,964,670	\$ 2,030,147	\$ 1,934,524

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Facilities Support Services	\$ 7,589,078	\$ 4,964,775	\$ 265,615	\$ 136,011	\$ 129,605
Real Estate Agents and Managers	\$ 342,651,851	\$ 224,162,841	\$ 11,992,712	\$ 6,140,981	\$ 5,851,731
Total	\$ 893,389,608	\$ 584,455,482	\$ 31,268,368	\$ 16,011,261	\$ 15,257,107
Personal services					
Beauty Shops	\$ 118,486,948	\$ 77,514,161	\$ 4,147,008	\$ 2,123,514	\$ 2,023,494
Barber Shops	\$ 5,568,895	\$ 3,643,171	\$ 194,910	\$ 99,805	\$ 95,104
Tax Return Preparation Services	\$ 13,778,189	\$ 9,013,691	\$ 482,232	\$ 246,932	\$ 235,301
Misc. Personal Services NEC	\$ 71,157,209	\$ 46,551,046	\$ 2,490,481	\$ 1,275,274	\$ 1,215,207
Total	\$ 208,991,241	\$ 136,722,070	\$ 7,314,631	\$ 3,745,525	\$ 3,569,106
Amusement and Recreation Services					
Dance Studios, Schools & Halls	\$ 5,963,452	\$ 3,901,290	\$ 208,719	\$ 106,877	\$ 101,842
Bowling Centers	\$ 11,214,797	\$ 7,336,720	\$ 392,515	\$ 200,991	\$ 191,524
Physical Fitness Centers	\$ 30,280,160	\$ 19,809,281	\$ 1,059,797	\$ 542,679	\$ 517,118
Public Golf Courses	\$ 32,949,410	\$ 21,555,504	\$ 1,153,219	\$ 590,517	\$ 562,703
Membership Sports Clubs	\$ 55,121,190	\$ 36,060,282	\$ 1,929,225	\$ 987,878	\$ 941,347
Amusement & Recreations NEC	\$ 128,055,325	\$ 83,773,794	\$ 4,481,898	\$ 2,294,998	\$ 2,186,900
Total	\$ 263,584,334	\$ 172,436,871	\$ 9,225,373	\$ 4,723,938	\$ 4,501,434
Legal Services					
Legal Services	\$ 245,653,757	\$ 160,706,688	\$ 8,597,808	\$ 4,402,588	\$ 4,195,220
Total	\$ 245,653,757	\$ 160,706,688	\$ 8,597,808	\$ 4,402,588	\$ 4,195,220
Services Total	\$ 2,317,338,410	\$ 1,516,002,788	\$ 81,106,149	\$ 41,531,164	\$ 39,574,986
Removal of Exemptions					
Manufacturing Machinery forgone tax from 2021 survey	\$ 124,739,470		\$ 6,673,562	\$ 3,417,260	\$ 3,256,302

**Enhancing Revenues
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Data Center forgone tax from 2021 survey	\$ 260,563,440		\$ 13,940,144	\$ 7,138,181	\$ 6,801,963
Total	\$ 385,302,910	\$ -	\$ 20,613,706	\$ 10,555,441	\$ 10,058,265
Total Services and removal of exemptions	\$ 2,702,641,320	\$ 1,516,002,788	\$ 101,719,855	\$ 52,086,605	\$ 49,633,250