Virtual currency and government operations.

Sponsored by: Representative(s) Andrew

A BILL

for

AN ACT relating to sales and use taxes; allowing for the payment of state and local sales and use taxes in virtual currency; allowing for the payment of state and local sales and use taxes and filing of state and local sales and use tax returns through the operation of a smart contract as specified; requiring the state treasurer's office to accept virtual currency donations to state funds as specified; requiring rulemaking; and providing for an effective date.

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

Section 1. W.S. 39-15-101 (a) by creating new paragraphs (xlvii) and (xlviii), 39-15-102 by creating new
subsections (g) through (h), 39-15-107(a)(i), 39-16-101(a) by creating new paragraphs (xxi) and (xxii), 39-16-102 by creating new subsections (f) through (g) and 39-16-107(a) by creating a new paragraph (vii) are amended to read:


(a) As used in this article:

(xlviii) "Smart contract" means as defined in W.S. 17-31-102(a)(ix);

(xlix) "Virtual currency" means as defined in W.S. 34-29-101(a)(iv).


(g) Any taxpayer or vendor may remit sales tax owed under this article in any virtual currency approved by the department so long as the same virtual currency was used for the sale that gave rise to the sales tax. The department may assess a reasonable transaction fee to cover the cost of exchanging the virtual currency for United...
States dollars provided that no transaction fee shall be assessed if there is no cost to convert the virtual currency to United States dollars.

(h) Beginning July 1, 2023 the department shall allow, but not require, payment of sales tax under this article through a smart contract approved by the department. The smart contract shall be capable of providing real time updates and allow for immediate payment of sales taxes as they accrue.


(a) Returns, reports and preservation of records. The following shall apply:

(i) Each vendor shall on or before the last day of each month file a true return showing the preceding month's gross sales and remit all taxes to the department. The returns shall contain such information and be made in the manner as the department by regulation prescribes. The department may allow extensions for filing returns and paying the taxes by regulation, but no extension may be for
more than ninety (90) days. If the total tax to be remitted 
by a vendor during any month is less than one hundred fifty 
dollars ($150.00), a quarterly or annual return as 
authorized by the department, and remittance in lieu of the 
monthly return may be made on or before the last day of the 
month following the end of the quarter or year for which 
the tax is collected. If the accounting methods regularly 
used by any vendor are such that reports of sales made 
during a calendar month would impose unnecessary hardships, 
the department after receiving a formal request filed by 
the vendor may accept reports at intervals as would be more 
convenient to the taxpayer. Any vendor shall report whether 
the vendor sells nicotine products, as defined by W.S. 39-
18-101(a)(xi), in this state to the department in the form 
and manner required by the department. The department may 
reject any report required under this paragraph of any 
vendor who does not comply with the nicotine sales 
reporting requirements. Every person purchasing goods or 
services taxable by this article who does not pay the tax 
owed to a vendor shall, on or before the last day of each 
month, file a return showing the gross purchases made 
during the preceding month and remit all taxes due to the 
department. The return shall contain such information and
be made in the manner as the department shall prescribe by rule and regulation. **Beginning July 1, 2023 the department shall accept returns provided through department approved smart contracts which shall include all the information required under this section as of the date of filing.** The department, by rule and regulation, may allow an extension for filing a return and paying any tax due, but no extension shall be granted for more than ninety (90) days;

**39-16-101. Definitions.**

(a) As used in this article:

(xxii) "Virtual currency" means as defined in W.S. 34-29-101(a)(iv).

39-16-102. Administration; confidentiality.

(f) Any taxpayer or vendor may remit use tax owed under this article in any virtual currency approved by the
department so long as the same virtual currency was used to pay for the activity that gave rise to the use tax. so long as the same virtual currency was used for the underlying purchase. The department may assess a reasonable transaction fee to cover the cost of exchanging the virtual currency for United States dollars provided that no transaction fee shall be assessed if there is no cost to convert the virtual currency to United States dollars.

(g) Beginning July 1, 2023 the department shall allow, but not require, payment of use tax under this article through a smart contract approved by the department. The smart contract shall be capable of providing real time updates and allow for immediate payment of use taxes as they accrue.


(a) Returns, reports and preservation of records. The following shall apply:

(vii) Beginning July 1, 2023 the department shall accept returns provided through department approved
smart contracts which shall include all the information required under this section as of the date of filing.

Section 2. Not later than June 1, 2023 the state treasurer's office shall develop the capacity to accept donations in virtual currency approved by the department of revenue pursuant to W.S. 39-15-102(a) or 39-16-102(a) and as allowed by law to each of the following funds, and in additional funds as donations make necessary:

(i) XXXXXXXXXX;

The specific funds to accept donations will need to be determined.

Section 3. Not later than June 1, 2023 the department of revenue shall develop and implement a software system through which sales and use taxes may be paid and tax returns filed through the operation of smart contracts. The system shall include an application programming interface, security measures and other components determined by the
department of revenue to be necessary for the safe, secure
and efficient collection and reporting of taxes. The
department of revenue shall promulgate rules establishing
the minimum standards required of and an approval process
for any smart contract.

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STAFF COMMENT
This draft appropriates two million dollars for the
development of a system by the department of revenue
allowing for the collection of taxes and use of smart
contracts required by this act. This amount is merely a
placeholder and the actual amount necessary may be
significantly different.

Section 4. There is appropriated two million
($2,000,000.00) dollars from the general fund to the
department of revenue to develop and implement the software
system required under this act. This appropriation shall
not be transferred or expended for any other purpose and
any unexpended, unobligated funds remaining from this
appropriation shall revert as provided by law on June 30,
2024.

Section 5. This act is effective July 1, 2022.
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2  (END)