Wyoming Legislature – Select Committee on Tribal Relations

State Internet Sales Tax Collected on Purchases from the Reservation

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Presentation Overview

- 1. What Sales are Taxable in Wyoming?
- 2. What Are a Wyoming Vendor's Sales Tax Responsibilities?
- 3. How Do Wyoming Vendors Remit Sales Tax?
- 4. How Do Wyoming Sales Tax Exemptions Work?
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1. What Sales are Taxable in Wyoming? (specifically related to online purchasing)

- Retail sales of tangible personal property W.S. 39-15-103(a)(i)(A)
- Rent or lease of tangible personal property W.S. 39-15-103(a)(i)(B)
- Services to tangible personal property W.S. 39-15-103(a)(i)(J)
- Computer hardware and associated hardware media W.S. 39-15-103(a)(i)(O)
- Specified Digital Products (with permanent use) W.S. 39-15-103(a)(i)(P)
 - *Please remember there are corresponding use tax statutes found in W.S. 39-16-103*









2. What Are a Wyoming Vendor's Sales Tax Responsibilities?

- Partnership Wyoming Department of Revenue and the people of Wyoming
- Trust system Vendor's responsibility to collect and report correct amount of tax
- Online remote sellers and marketplace facilitators W.S. 39-15-501 and 39-15-502
- Wyoming Vendor's Responsibilities
 - Know what is taxable
 - Know the correct tax rate
 - Know how to remit tax
 - Know what supporting documentation to keep

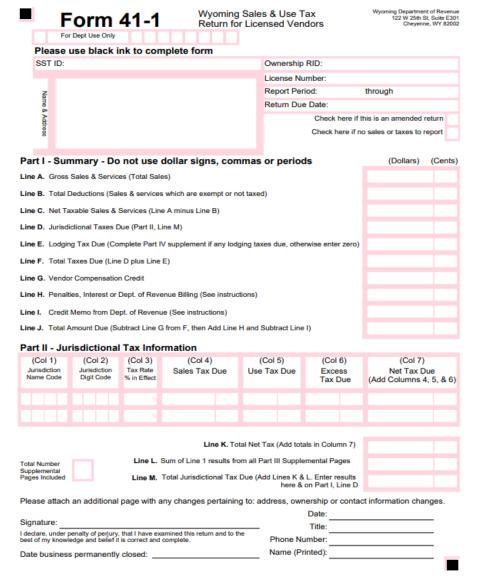






3. How Do Wyoming Vendors Remit Sales Tax?

- DOR Form 41-1
 - Electronic filing and payment options are available (via our WYIFS portal)
- Filing frequency
- Filing due date
- Vendors on the Wind River Indian Reservation also required to license -WY Dept. of Rev. Rules; Chap. 2, Sec. 4(c)











4. How Do Wyoming Sales Tax Exemptions Work?

- What is a Wyoming sales tax exemption?
 - Discussion topic Sales which the state of Wyoming is prohibited from taxing under the laws or constitutions of the United States or Wyoming. W.S. 39-15-105(a)(i)(A)
- What's the difference between something that is just nontaxable versus something that is exempt?

What documentation is needed for a purchaser to claim an exemption?

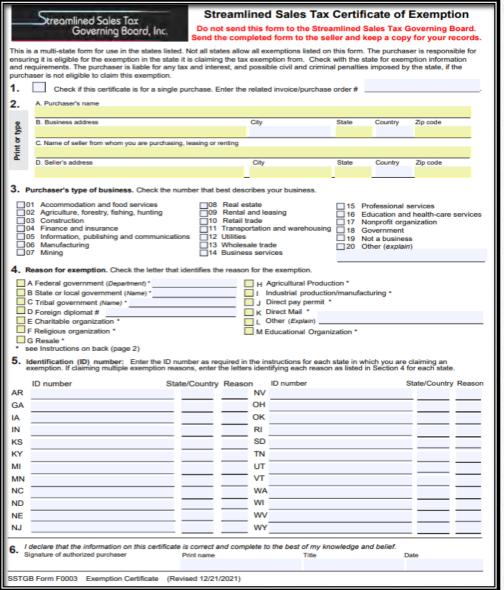






5. What Does a Streamlined Exemption Certificate Look Like?

- Wyoming is a member of the Streamlined Sales Tax Governing Board W.S. 39-15-401
 - Wyoming will generally submit any legislative proposals to Streamline for approval
- Wyoming is a good faith state for sales taxation. What does this mean?
- Wyoming vendors should only accept two documents to sell tangible personal property without tax:
 - Properly completed exemption certificate (applicable to our discussion)
 - Direct pay permit





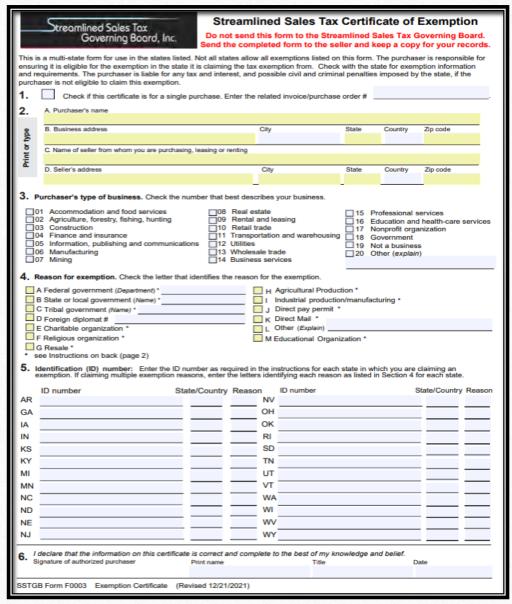




6. How Do You Fill out an Exemption Certificate?

(specifically related to online purchasing)

- Section 1: Single or reoccurring purchase
- Section 2: Purchaser and seller information
- Section 3: Type of business
 - Wyoming's guidance has consistently been for enrolled tribal members to select "18 Government"
- Section 4: Reason for exemption
 - Wyoming's guidance has consistently been for enrolled tribal members to enter their tribe name in "C Tribal government (Name)"
- Section 5: Identification number
 - Wyoming's guidance has consistently been for enrolled tribal members to either use a tribal ID #, DOR sales tax #, FEIN #, or driver's license number
- Section 6: Signature line
- *Most online websites have areas to provide tax exemption documentation <u>prior</u> to purchase.*











7. Are Tribal Members Exempt from Wyoming Sales Tax?

- The answer is yes; if two conditions are met. Once both conditions are satisfied, the purchaser can provide the vendor with a Streamlined exemption certificate.
 - 1. Proof of status as an enrolled member of one of the two Wyoming tribes;
 - 2. The customer receives possession of their purchase on the Wind River Indian Reservation.
- Wait, I thought there weren't any sales taxes on reservations? Over the years, there have been several U.S. Supreme Court cases on the topic. These court cases have led to many states adopting the same tribal guidance as Wyoming. What about taxation with our national parks?









8. What Happens if a Tribal Member Pays Wyoming Sales Tax?

- The Wyoming sales tax may be due an enrolled tribal member purchases tangible personal property off of the Wind River Indian Reservation.
- The tax is not due an enrolled tribal member purchases tangible personal property <u>on</u> the Wind River Indian Reservation with an exemption certificate provided to the vendor.
- What happens if an enrolled tribal member purchases an item online and has it shipped to the Wind River Indian Reservation, but did not provide the vendor with an exemption certificate?
 - Tax should be collected because the vendor doesn't know not to charge tax. Any collected Wyoming sales tax should be remitted to the Wyoming Department of Revenue, even if collected in error. W.S. 39-15-109
 - Erroneously collected sales tax happens more than one might be aware. What taxpayer remedies are available? W.S. 39-15-109(a)(ii)









9. How is Wyoming Sales Tax Distributed?

Sales tax

- 69% to state general fund
- ✓ 1% to state administrative expenses
- ✓ Remaining share to counties, cities, and towns
- There is currently no sales tax distributed to the two Wyoming tribes. If any tax is collected on the Wind River Indian Reservation, it will be distributed as outlined above.









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