

The Effects of the Sales and Use Tax Exemption For Manufacturing Machinery

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the staff of the
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Seventeenth Edition

**Exemption Effective: 2004
W.S. 39-15-105(a)(viii)(O) and W.S. 39-16-105(a)(viii)(D)**

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Overview

Original House Bill No. 44 (Enrolled Act No. 20) was signed into law by Governor Freudenthal on March 3, 2004. This act relates to taxation and revenue and provides for a sales and use tax exemption for machinery and machine tools used directly and predominantly in manufacturing within the State of Wyoming. The act provides for definitions, limitations, a reporting requirement and an effective date. This law took effect on July 1, 2004, and per subsequent amendments, has a sunset of December 31, 2027.

The Manufacturing machinery exemption is located within the “economic incentive” group of sales and use tax exemptions in the Wyoming statutes [W.S. 39-15-105(a)(viii); W.S. 39-16-105(a)(viii)]. The law exempts from Wyoming sales and use taxes, until December 31, 2027, the sale or lease of machinery to be used in Wyoming directly and predominantly in Manufacturing tangible personal property provided the following requirements are met:

- The sale or lease is to a manufacturer classified by the Department of Revenue under the North American Industry Classification System (NAICS) code Manufacturing section 31 – 33; and
- The sale or lease does not include noncapitalized machinery except machinery expensed in accordance with Section 179 of the Internal Revenue Code.

Specific Requirements by Statute

Wyo. Stat. Ann. § 39-15-105(b)

“The Wyoming business council, the department of workforce services and the department of revenue shall jointly report to the joint revenue interim committee on or before December 1 of each year that the exemption is in effect. If requested by the department of revenue, any person utilizing the exemption shall report to the department the amount of sales tax exempted, and the number of jobs created or impacted by the utilization of the exemption.”

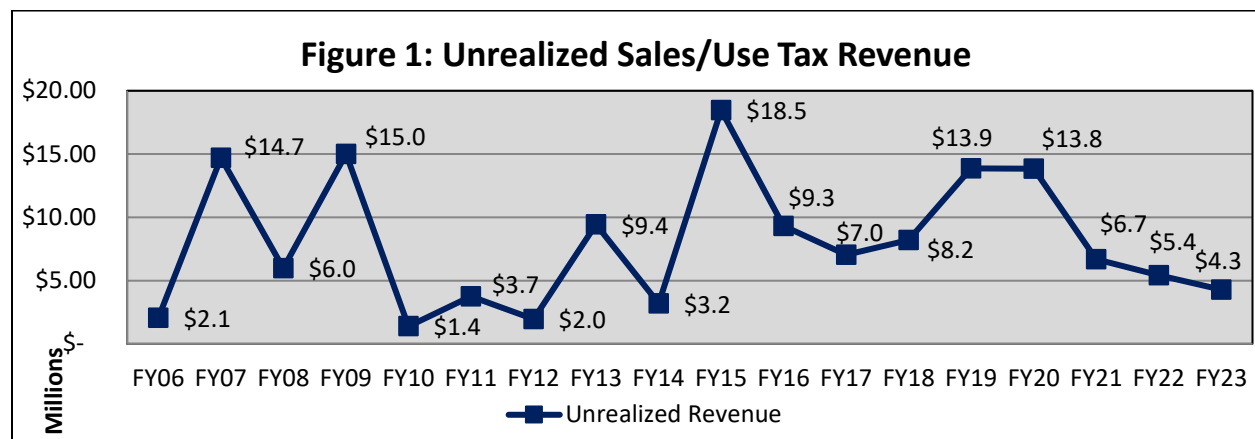
This report is to evaluate the cumulative effects of the exemption from initiation of the exemption and shall include:

- (i) A history of employment in terms of the numbers of employees, full-time and part time employees, and rate of turnover classified by the 2007 edition, as amended, of the North American Industry Classification System (NAICS) code manufacturing section 31 – 33 from information collected by the Department of Employment;
- (ii) A history of wages and benefits disaggregated by gender for each job category; and
- (iii) A comprehensive history of taxes paid to the state of Wyoming.

Exemption Cost

Based on survey responses in 2023, for purchases between the periods of July 1, 2022 through June 30, 2023, exempt manufacturing machinery purchases by Wyoming manufacturers equaled \$79,884,433.40.¹ As a result of this exemption and applying the average sales and use tax rate of 5.36%, the unrealized sales and use tax revenue for the State of Wyoming totaled \$4,281,805.63. For this period, 1,342 Manufacturing Machinery Survey Forms were sent, 520 responses were received, which reflects a response rate of 38.7%. Of the 520 responses received, 135 companies reported exempt machinery purchases.

Figure 1 shows unrealized sales/use tax revenue for exempt manufacturing purchases.²



In addition to exact figures, the Department also evaluated purchases based on eight dollar ranges:

Range	Tax Exempt \$	#Responses
\$0		385
\$1 - \$1,000	\$10,004.12	22
\$1,001 - \$10,000	\$129,981.27	29
\$10,001 - \$50,000	\$773,784.27	29
\$50,001 - \$100,000	\$693,464.39	10
\$100,001 - \$1,000,000	\$10,635,335.67	34
\$1,000,001 - \$10,000,000	\$34,165,843.68	10
\$10,000,001 +	\$33,476,020.00	1

¹ Survey Aggregate for 2023.

² Wyoming Department of Revenue. *The Effects of the Sales and Use Tax Exemption for Manufacturing Machinery, Sixteenth Edition* (2022).

Figure 2 graphically represents the number of purchasers per dollar range.

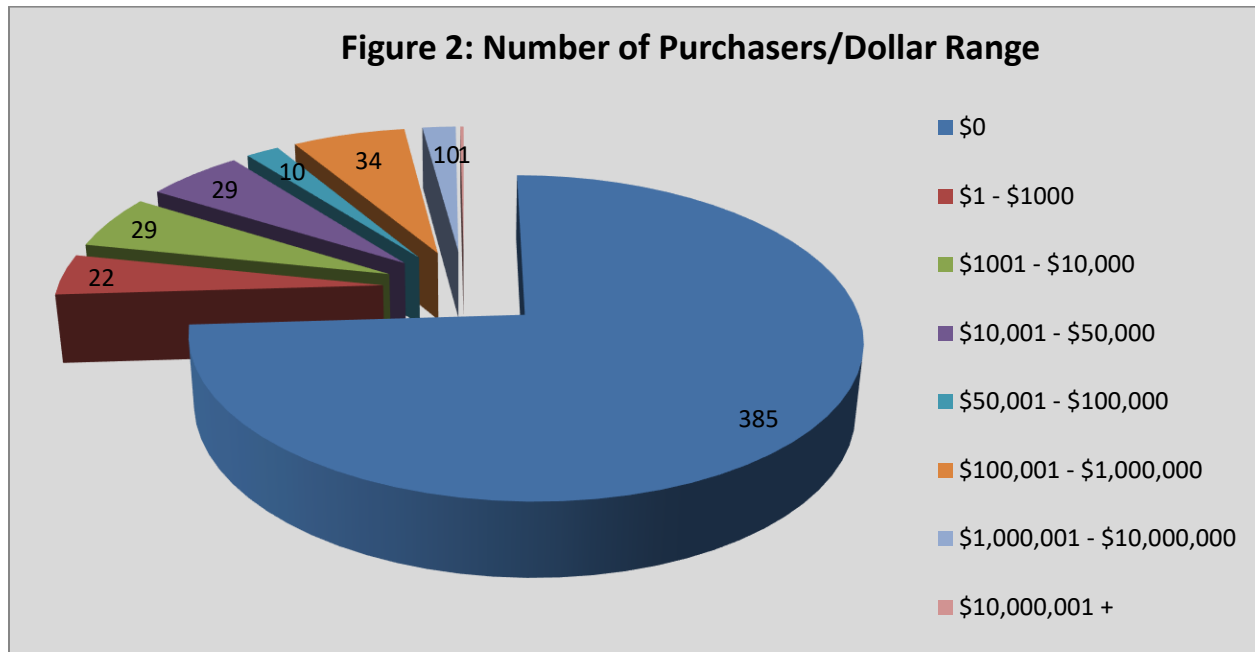
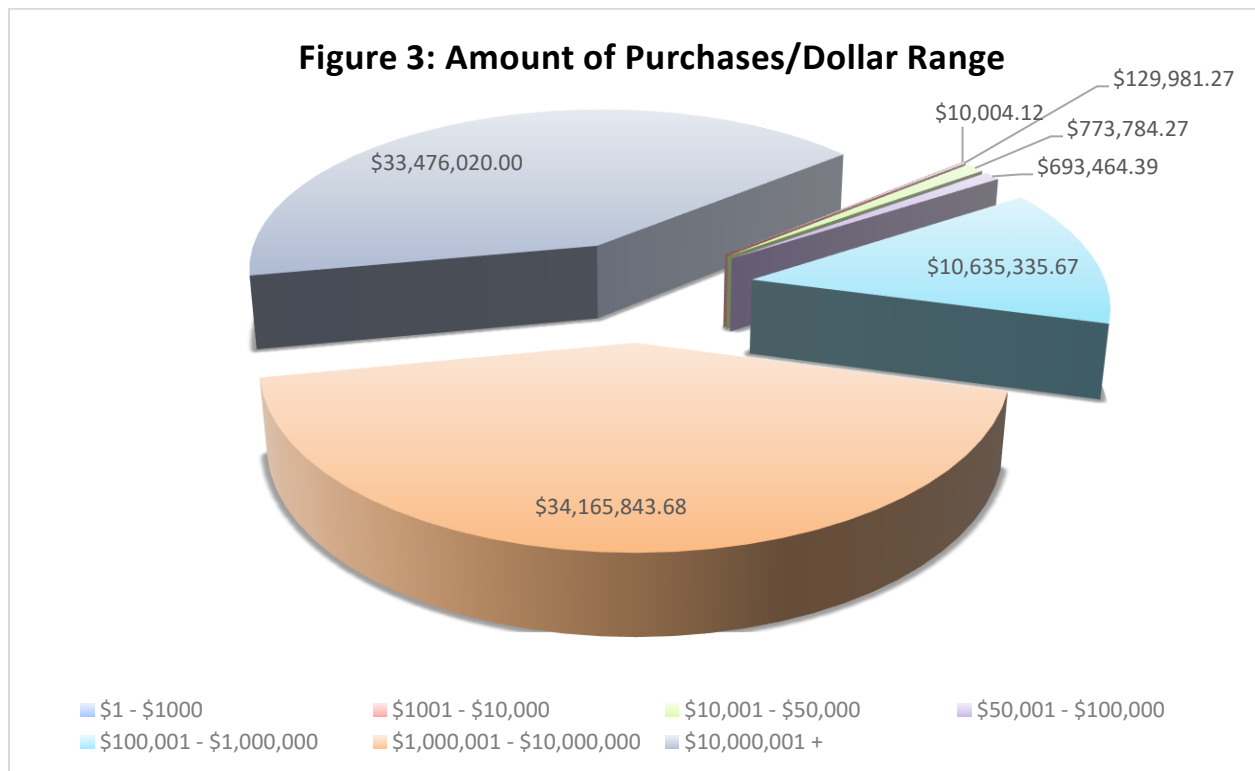


Figure 3 graphically represents the number of purchasers per dollar range.



Employment

Figure 4 details employment history in the manufacturing industry in Wyoming.

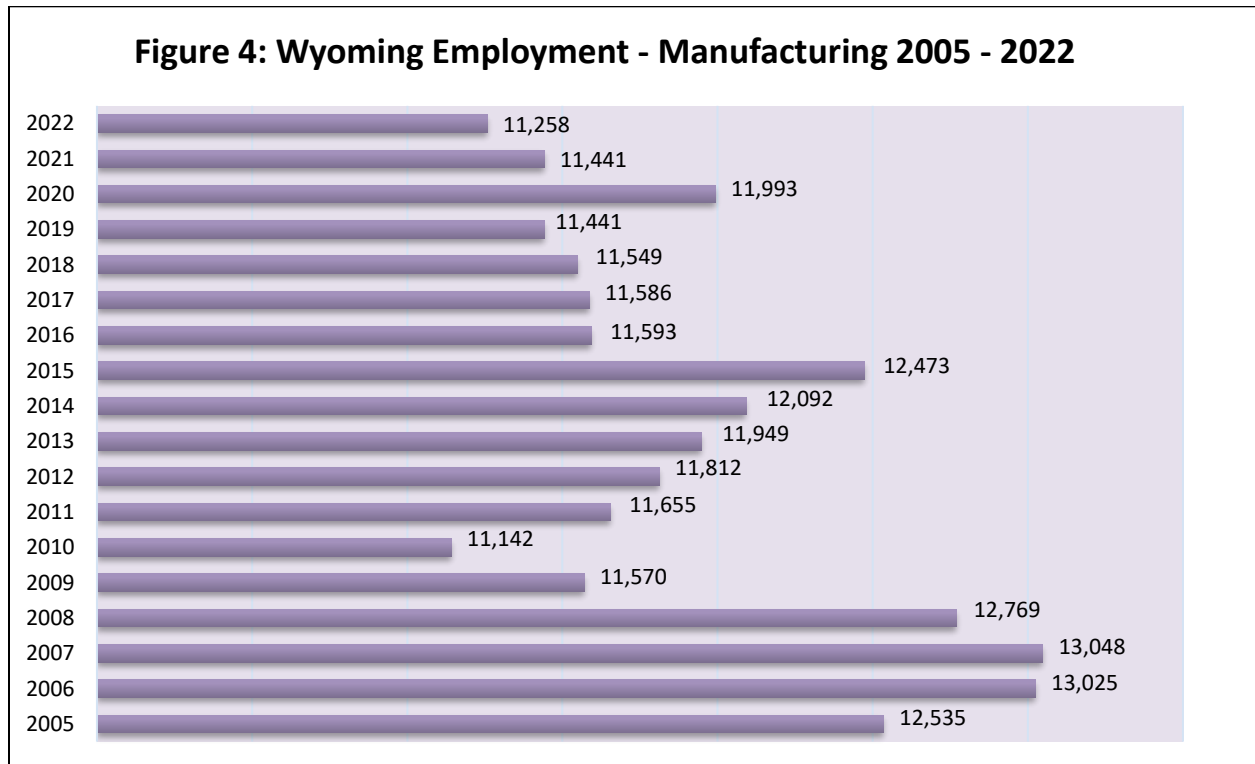
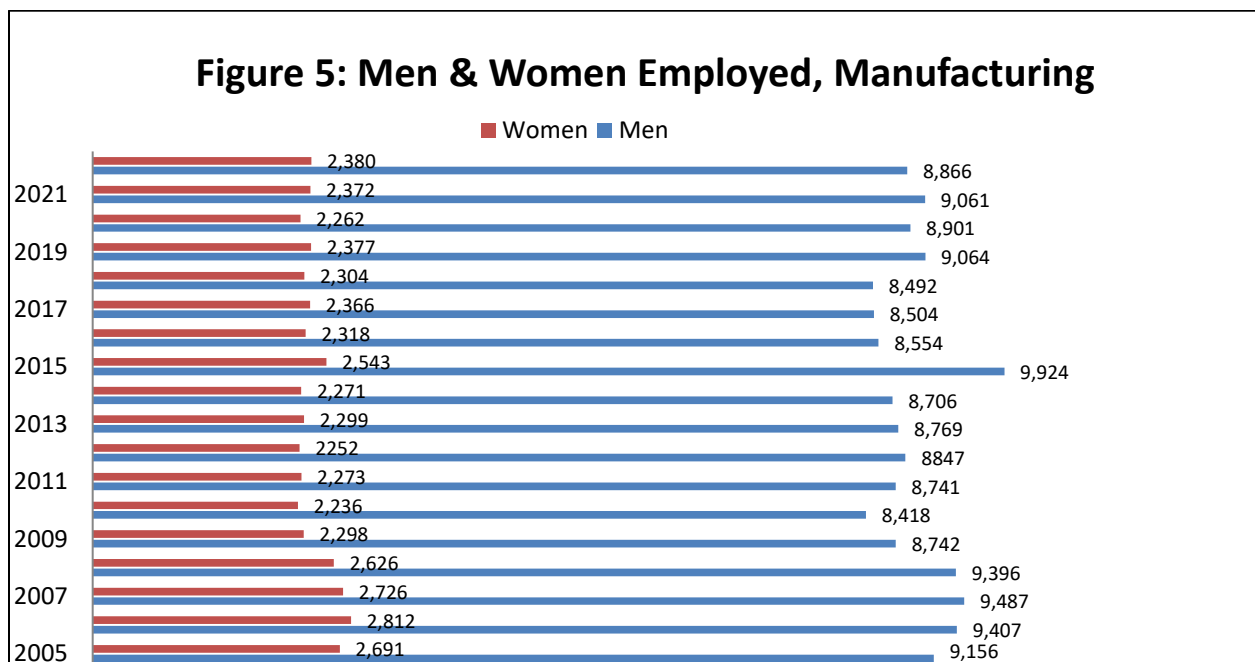
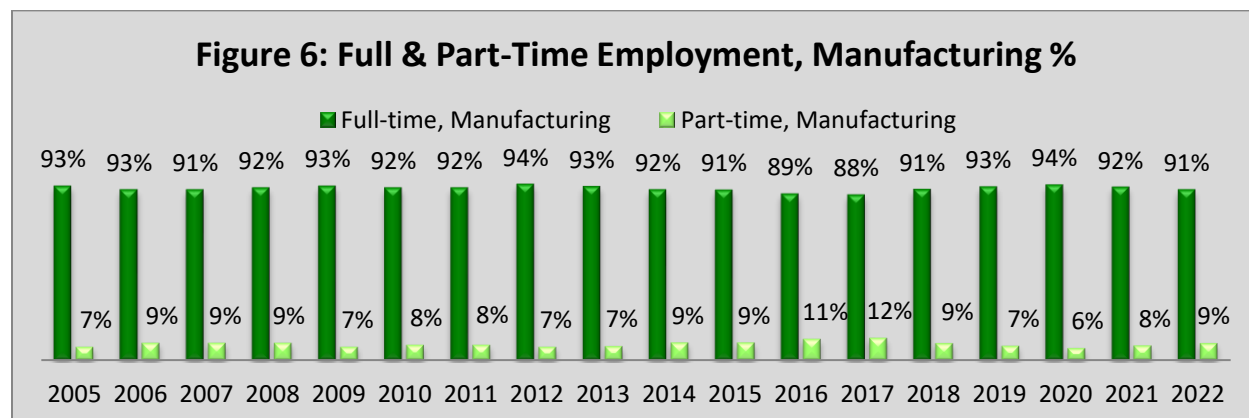


Figure 5 details employment by gender both in the manufacturing industry in Wyoming.



Figures 6 graphically compares full-time and part-time employment for the manufacturing industry in Wyoming.



A discussion about those employed in the manufacturing industry is not complete without a closer review of the Standard Occupational Classification (SOC) system. Wyoming utilizes the SOC system to categorize workers within the state; and while manufacturing has its own SOC code, several other occupational groups are typically found in the manufacturing industry as well. Table 1.1, on page 5 illustrates the total number of persons working in the selected SOC categories within Wyoming from year 2005.³

Please note, the Department of Workforce Services updated the SOC classification system to include new classification numbers and occupational titles, therefore the new classification numbers have no reporting information prior to 2018.

³ Wyoming Department of Work Force Services. *Wyoming Occupational Employment and Wages, October 2023*. Prior to 2016, Wyoming Department of Revenue. *The Effects of the Sales and Use Tax Exemption for Manufacturing Machinery, Sixteenth Edition*. (2022).

Table 1.1: Employment per SOC Classifications typically found in the Manufacturing Industry for Years 2005 – 2022																			
SOC	Occupational Title	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
11-0000	Management	12,780	12,450	NA	12,550	12,770	12,710	12,370	12,090	12,200	12,040	12,200	11,520	11,430	11,690	12,560		11,880	13,530
13-0000	Business & Financial	6,270	6,720	NA	7,070	7,290	7,350	7,270	7,530	7,850	8,130	8,540	8,820	8,480	8,220	9,170		9,760	10,250
15-0000	Computer & Mathematical	1,930	2,050	NA	2,040	2,210	2,200	2,210	2,290	2,620	2,750	2,730	2,650	2,650	2,660	3,170		3,080	2,970
17-0000	Architecture & Engineering	3,920	4,250	NA	4,650	5,150	5,040	5,090	5,090	4,910	5,130	5,580	5,690	4,860	4,170	4,490		4,240	4,090
19-0000	Life, Physical & Social Services	4,210	4,270	NA	4,260	4,750	4,860	4,360	4,250	4,340	4,180	4,520	4,420	4,200	3,980	4,150		4,410	4,250
21-0000	Community & Social Services														4,000	3,970		3,890	3,970
23-0000	Legal														1,580	1,740		1,670	1,670
25-0000	Education, Training & Library														20,170	19,580		19,130	18,970
27-0000	Arts, Design, Entertainment, Sports & Media	2,740	2,490	NA	2,570	2,900	3,130	2,920	2,970	2,810	3,100	3,110	3,280	3,070	2,870	2,780		2,670	2,300
29-0000	Healthcare Practitioners & Technical	10,550	10,850	NA	11,520	12,000	12,770	13,130	13,280	13,360	13,530	14,020	14,140	14,300	14,400	14,390		14,010	14,400
31-0000	Healthcare Support														6,890	9,430		9,160	9,040
33-0000	Protective Services														5,690	5,970		5,930	6,500
35-0000	Food Preparation & Serving-Related	24,440	23,600	NA	24,140	24,810	24,430	23,070	23,270	24,710	24,740	25,040	25,080	25,180	24,570	25,320		23,060	23,950
37-0000	Building & Grounds Cleaning & Maintenance	10,030	11,110	NA	11,370	11,950	11,250	11,220	11,110	11,070	11,350	11,440	11,390	11,670	11,360	10,950		10,650	10,520
39-0000	Personal Care & Service														8,310	5,350		4,990	5,240
41-0000	Sales & Related	21,760	22,480	NA	23,390	24,110	23,850	22,720	22,630	23,000	23,110	23,880	24,750	25,320	24,620	23,270		22,220	23,400
43-0000	Office & Administrative Support	36,160	36,530	NA	37,870	38,720	38,490	37,190	37,610	36,790	36,630	36,170	36,600	36,190	35,070	30,650		28,620	29,070
45-0000	Farming, Fishing & Forestry														570	660		640	720
47-0000	Construction & Extraction	27,090	29,260	NA	33,090	37,100	36,510	32,620	33,210	33,770	33,070	32,860	31,720	27,890	25,740	28,600		27,000	23,190
49-0000	Installation, Maintenance & Repair	14,730	15,520	NA	17,380	17,740	18,080	16,890	17,790	18,370	18,170	18,460	18,730	17,380	16,920	18,110		17,080	16,070
51-0000	Production	11,900	13,060	NA	14,320	14,830	14,200	13,280	12,300	13,260	12,850	13,230	13,180	12,770	12,330	13,300		12,640	11,770
53-0000	Transportation & Material Moving	24,020	26,640	NA	25,570	25,810	24,820	22,060	22,450	23,160	23,700	24,850	25,330	23,600	22,180	25,730		24,970	24,670
	TOTAL	212,530	221,280	0	231,790	242,140	239,690	226,400	227,870	232,220	232,480	236,630	237,300	228,990	267,990	273,340		261,700	260,540

Wages

Figure 7 portrays the average Wyoming wage for the Manufacturing Industry categorized by gender. Table 1.2 outlines wages typically found by SOC occupation.⁴

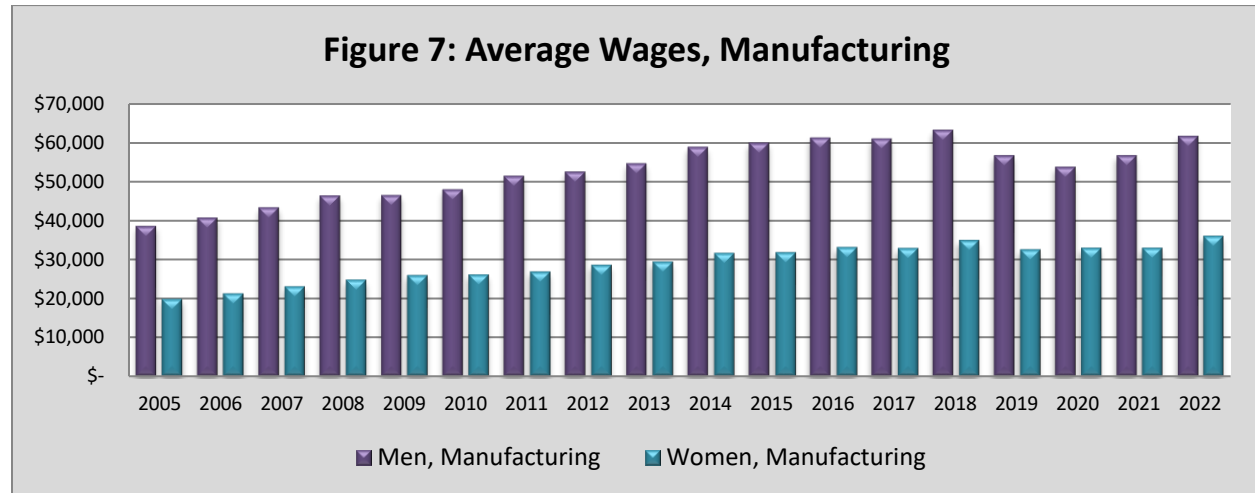


Table 1.2: Hourly Median Wage

SOC	Occupational Title	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
11-000	Management Occupations	\$27.66	\$28.79	NA	\$31.40	\$32.83	\$34.56	\$36.04	\$36.75	\$38.16	\$39.42	\$40.85	\$42.09	\$42.75	\$50.12	\$47.88	\$47.92	\$49.33	\$48.78
13-000	Business & Financial	\$19.67	\$21.03	NA	\$22.90	\$23.78	\$24.92	\$25.92	\$26.43	\$26.94	\$27.92	\$28.80	\$29.04	\$33.45	\$33.93	\$34.30	\$35.27	\$36.30	\$37.01
15-000	Computer & Mathical	\$20.27	\$21.90	NA	\$23.75	\$25.14	\$25.71	\$26.62	\$27.30	\$27.51	\$27.65	\$28.00	\$28.70	\$30.27	\$31.72	\$33.26	\$33.18	\$33.82	\$35.00
17-000	Architecture & Engineering	\$24.23	\$25.89	NA	\$27.72	\$29.19	\$30.40	\$30.88	\$31.61	\$30.40	\$31.68	\$32.86	\$33.73	\$37.98	\$38.90	\$40.80	\$41.31	\$42.10	\$42.36
19-000	Life, Physical & Social Services	\$20.11	\$20.98	NA	\$22.94	\$22.35	\$22.84	\$23.74	\$24.68	\$24.88	\$26.19	\$26.37	\$26.55	\$27.39	\$28.23	\$32.72	\$32.01	\$32.62	\$33.30
21-0000	Community & Social Services														\$23.69	\$23.96	\$24.62	\$25.09	\$27.03
23-0000	Legal														\$37.60	\$35.71	\$36.82	\$37.53	\$36.86
25-0000	Education, Training & Library														\$24.04	\$24.24	\$24.41	\$24.87	\$25.69
27-000	Arts, Design, Entertainment, Sports, etc.	\$12.13	\$13.31	NA	\$13.48	\$13.35	\$14.12	\$15.44	\$15.57	\$16.42	\$16.81	\$16.18	\$16.70	\$19.99	\$21.20	\$21.49	\$22.04	\$22.46	\$24.95
29-000	Healthcare Practitioners & Technical	\$22.37	\$23.19	NA	\$25.07	\$25.35	\$26.92	\$27.41	\$28.32	\$28.72	\$29.21	\$29.07	\$29.79	\$37.77	\$39.99	\$40.70	\$42.76	\$43.58	\$45.95
31-0000	Healthcare Support														\$15.92	\$15.99	\$16.43	\$17.10	\$18.12
33-0000	Protective Services														\$22.94	\$23.28	\$24.23	\$25.21	\$25.71
35-000	Food Preparation & Serving Related	\$6.92	\$6.32	NA	\$7.97	\$8.55	\$8.96	\$9.11	\$9.24	\$9.15	\$9.21	\$9.33	\$9.72	\$11.74	\$12.30	\$12.55	\$12.87	\$13.39	\$14.89
37-000	Building & Grounds Clearing & Maint.	\$8.86	\$9.31	NA	\$10.24	\$10.78	\$11.23	\$11.33	\$11.46	\$11.50	\$11.85	\$11.90	\$12.39	\$13.96	\$14.84	\$15.38	\$16.01	\$16.67	\$17.65
39-0000	Personal Care & Service														\$13.67	\$15.29	\$15.74	\$16.37	\$16.33
41-000	Sales & Related	\$9.11	\$9.58	NA	\$10.17	\$10.57	\$11.13	\$11.49	\$11.86	\$12.06	\$12.41	\$12.79	\$12.83	\$17.62	\$18.21	\$18.42	\$19.57	\$19.80	\$20.33
43-000	Office & Administration Support	\$11.09	\$11.70	NA	\$12.71	\$13.43	\$13.92	\$14.35	\$14.61	\$15.11	\$15.15	\$15.63	\$16.03	\$17.32	\$18.08	\$18.91	\$19.37	\$19.85	\$20.69
45-0000	Farming, Fishing & Forestry														\$15.49	\$15.85	\$15.73	\$16.13	\$17.12
47-000	Construction & Extraction	\$16.29	\$17.68	NA	\$18.84	\$19.38	\$19.75	\$20.66	\$21.13	\$21.45	\$21.72	\$22.72	\$23.03	\$24.96	\$25.52	\$26.49	\$26.97	\$27.65	\$28.53
49-000	Installation, Maintenance & Repair	\$18.24	\$18.81	NA	\$19.92	\$20.13	\$20.98	\$21.82	\$22.92	\$23.06	\$23.57	\$23.78	\$24.34	\$26.55	\$27.48	\$28.33	\$29.14	\$29.67	\$30.52
51-000	Production	\$14.26	\$15.21	NA	\$17.00	\$18.53	\$19.75	\$21.12	\$21.57	\$21.27	\$21.85	\$22.70	\$24.12	\$25.74	\$27.05	\$27.79	\$28.64	\$29.49	\$30.32
53-000	Transportation & Material Moving	\$14.16	\$14.99	NA	\$15.50	\$15.82	\$16.25	\$17.12	\$18.13	\$19.01	\$19.32	\$19.44	\$19.93	\$21.54	\$22.69	\$22.42	\$22.52	\$23.22	\$23.56

⁴ Ibid.

Benefits

Tables 1.3 and 1.4 represent a compilation of excerpts from the *Wages and Benefits Surveys*, and chronicle the selected benefits offered to full-time and part-time employees across the Manufacturing Industry.⁵

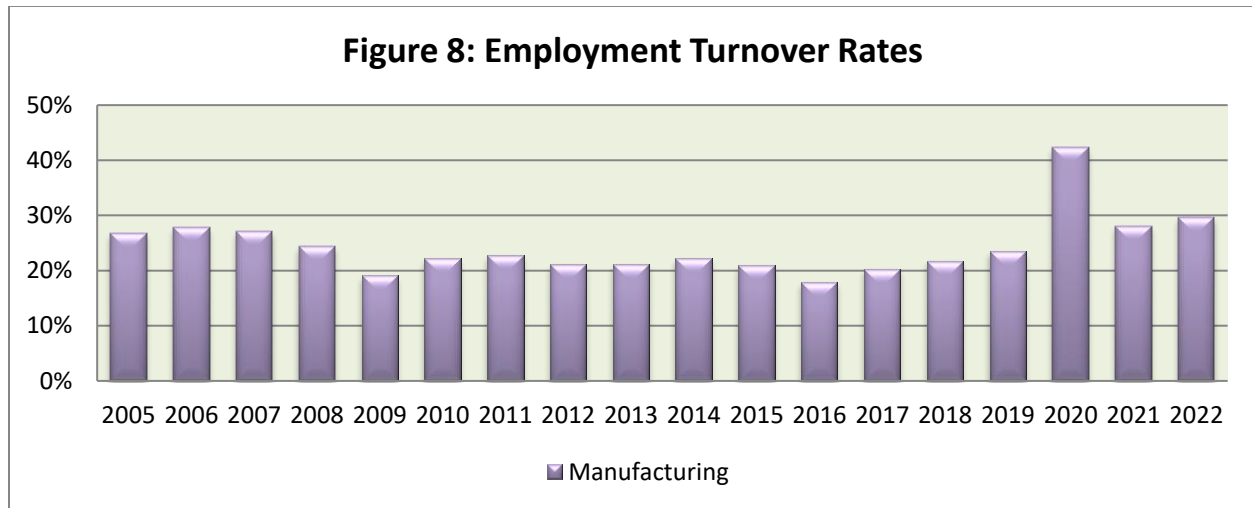
Benefit Type	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Medical Ins., Manufacturing	80.5%	85.5%	75.5%	88.1%	84.7%	89.7%	85.5%	86.7%	87.9%	82.1%	82.0%	83.3%	84.2%	87.3%			82.0%	89.4%
Dental Plan, Manufacturing	67.2%	73.2%	52.2%	77.9%	70.9%	82.0%	74.2%	80.2%	86.1%	83.0%	77.5%	74.9%	73.4%	79.1%			78.7%	86.5%
Life Insurance, Manufacturing	71.2%	76.5%	62.5%	80.7%	77.2%	77.1%	80.6%	83.0%	85.4%	85.1%	82.1%	77.2%	77.1%	82.0%			76.3%	82.6%
Paid Vacation, Manufacturing	81.4%	85.9%	90.1%	85.4%	82.7%	77.9%	89.9%	87.3%	84.6%	78.5%	71.9%	68.7%	70.2%	71.2%			69.8%	68.4%
Retirement, Manufacturing	76.4%	81.4%	80.8%	84.2%	78.4%	76.4%	86.2%	85.2%	84.2%	82.8%	76.5%	73.0%	77.3%	85.9%			85.8%	86.9%
Paid Sick, Manufacturing	53.0%	41.1%	20.6%	48.7%	50.1%	40.2%	52.6%	44.0%	35.3%	34.9%	37.7%	27.8%	25.7%	36.8%			41.9%	49.9%
LT Disability, Manufacturing	46.9%	56.3%	33.8%	45.0%	42.6%	57.5%	64.8%	69.3%	73.8%	61.0%	54.4%	56.2%	57.8%	62.0%			57.9%	60.0%

Benefit Type	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Medical Ins., Manufacturing	12.7%	5.7%	0.0%	11.6%	2.0%	3.7%	7.4%	8.1%	8.7%	9.0%	7.7%	8.2%	7.7%	7.0%			2.9%	5.0%
Dental Plan, Manf.	12.1%	5.2%	0.0%	13.4%	1.0%	4.5%	7.4%	10.3%	12.3%	10.0%	8.2%	8.2%	8.0%	7.6%			4.1%	5.0%
Life Insurance, Manf.	60.0%	1.2%	2.0%	5.6%	1.0%	0.6%	7.4%	6.1%	4.8%	3.3%	2.6%	2.1%	1.8%	3.2%			3.6%	5.1%
Paid Vacation, Manf.	5.4%	7.1%	17.3%	8.6%	3.2%	10.5%	10.9%	7.0%	3.1%	5.4%	7.4%	5.1%	3.5%	4.4%			2.8%	2.7%
Retirement, Manf.	21.0%	18.7%	23.9%	21.4%	2.6%	12.5%	19.6%	17.6%	15.6%	14.2%	15.3%	15.1%	14.4%	15.1%			38.9%	43.1%
Paid Sick, Manf.	0.0%	0.7%	3.4%	4.8%	4.2%	2.7%	1.6%	3.1%	4.5%	1.8%	1.4%	2.3%	2.1%	1.9%			2.2%	1.8%
LT Disability, Manf.	0.0%	0.0%	0.0%	6.3%	0.3%	0.0%	0.0%	0.9%	1.5%	0.4%	0.1%	0.8%	1.0%	0.4%			1.3%	1.5%

⁵ Ibid

Turnover

Figure 8 illustrates Wyoming's annual turnover rates for the Manufacturing Industry.⁶



⁶ Wyoming Department of Workforce Services, *Wyoming Industry Turnover by Year and Quarter, 1992Q1 to 2023Q4*, (totals derived from Q1 – Q4 yearly average).

REMI Analysis: Economic Impacts

The analyses of the economic impacts of the sales and use tax exemptions for (1) purchases of machinery and machine tools used directly and predominantly in manufacturing, for (2) purchases and rentals of qualifying computer equipment necessary for the operation of a data processing center, and for (3) purchases of equipment by a telecommunications service provider, video programming service provider, or provider of internet access used to provide broadband internet service were prepared using the Regional Economic Models, Inc. (REMI) Tax-PI model. REMI Tax-PI is the next generation Policy Insight model built exclusively for Wyoming. It is an integrated model that combines the best features of the input-output, general equilibrium, econometric, and economic geography methodologies. Tax-PI is also a dynamic rather than a static model allowing for year-by-year analysis of the total regional effects of any specific policy.

Table 1: Economic Impact of **Sales & Use Tax Exemption Removal** for Manufacturing Machinery

Category (Change from Baseline)	2023	2024	2025	2026	2027	Average 2023-2030
Total Employment - Jobs	-48	-65	-77	-84	-89	-80
Manufacturing	-11	-14	-16	-18	-20	-18
Construction	-11	-14	-16	-17	-17	-15
Retail Trade	-5	-6	-7	-7	-8	-7
Accommodation & Food Services	-2	-3	-4	-4	-5	-4
All Other	-20	-27	-33	-37	-40	-35
Population - Individuals	-24	-39	-55	-69	-81	-71
Wages and Salaries	-\$2.3	-\$3.0	-\$3.6	-\$3.9	-\$4.2	-\$3.8
Personal Income	-\$3.8	-\$4.9	-\$5.8	-\$6.5	-\$7.1	-\$6.5
Disposable Personal Income	-\$3.3	-\$4.3	-\$5.1	-\$5.7	-\$6.2	-\$5.7
Gross Domestic Product	-\$6.5	-\$8.7	-\$10.6	-\$11.9	-\$12.9	-\$11.6
Output	-\$14.2	-\$19.4	-\$23.4	-\$26.3	-\$28.5	-\$25.7
Sales & Use Tax Revenue	-\$0.11	-\$0.14	-\$0.16	-\$0.18	-\$0.20	-\$0.18
Property Tax Revenue	-\$0.02	-\$0.03	-\$0.04	-\$0.05	-\$0.06	-\$0.05
Note: All dollar amounts are expressed as millions of fixed (2022) dollars.						

The economic impact of the **removal of the sales tax exemption** for purchases of manufacturing machinery and machine tools used directly and predominantly in manufacturing was modeled in REMI as an increase in the production costs for the manufacturing industry of \$9.0 million per year beginning in 2022. The removal of this exemption would result in an average annual loss of 80 jobs and a decrease in GDP of \$11.6 million per year over the period of 2023 to 2030 when compared to the baseline scenario (see Table 1).

The manufacturing, construction, retail trade, and accommodation & food services sectors endure most of the job losses. While manufacturing and construction account for the direct and indirect

job losses, the retail trade and accommodation & food services sectors, in particular, will be hindered by the decline of disposable personal income. Fewer jobs and a decline in salaries will result in less household spending.

Key Definitions

Total Employment comprises estimates of the number of non-farm jobs, full-time plus part-time, by place of work. Full-time and part-time jobs are counted at equal weight. Includes direct, indirect, and induced jobs.

Population reflects mid-year estimates of people, including survivors from the previous year, births, special populations, and three types of migrants (economic, international, and retired).

Wages and Salaries are the monetary remuneration of employees, including the compensation of corporate officers; commissions, tips, and bonuses; voluntary employee contributions to certain deferred compensation plans, such as 401(k) plans; and receipts in kind that represent income. Wages and salaries disbursements are affected by changes in Wage Rate and Employment.

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

Disposable Personal Income equals personal income minus personal taxes.

Gross Domestic Product or **GDP** is the market value of goods and services produced by labor and property. It is often referred to as "value added" and is equal to its gross output (sales or receipts and other operating income, plus inventory change) minus its intermediate inputs (consumption of goods and services purchased from other industries or imported).

Output is the amount of production, including all intermediate goods purchased as well as value-added (compensation and profit). Output can also be thought of as sales or supply or simply price multiplied by quantity ($P \times Q$).

About the REMI PI+Model

The REMI PI+ model incorporates aspects of four major modeling approaches: **Input-Output**, **General Equilibrium**, **Econometric**, and **Economic Geography**. Each of these methodologies has distinct advantages as well as limitations when used alone. The REMI integrated modeling approach builds on the strengths of each of these approaches.

The REMI model at its core has the inter-industry relationships found in **Input-Output models**. As a result, the industry structure of a particular region is captured within the model, as well as transactions between industries. Changes that affect industry sectors that are highly interconnected to the rest of the economy will often have a greater economic impact than those for industries that are not closely linked to the regional economy.

General Equilibrium is reached when supply and demand are balanced. This tends to occur in the long run, as prices, production, consumption, imports, exports, and other changes occur to stabilize the economic system. For example, if real wages in a region rise relative to the U.S., this will tend to attract economic migrants to the region until relative real wage rates equalize. The general equilibrium properties are necessary to evaluate changes such as tax policies that may have an effect on regional prices and competitiveness.

REMI is sometimes called an “**Econometric model**,” as the underlying equations and responses are estimated using advanced statistical techniques. The estimates are used to quantify the structural relationships in the model. The speed of economic responses is also estimated, since different adjustment periods will result in different policy recommendations and even different economic outcomes.

The **New Economic Geography** features represent the spatial dimension of the economy. Transportation costs and accessibility are important economic determinants of interregional trade and the productivity benefits that occur due to industry clustering and labor market access. Firms benefit having access to a large, specialized labor pool and from having access to specialized intermediate inputs from supplying firms. The productivity and competitiveness benefits of labor and industry concentrations are called agglomeration economies, and are modeled in the economic geography equations.

The primary national, state, and county data source for REMI PI+ is the Bureau of Economic Analysis (BEA) State Personal Income (SPI) and Local Area Personal Income (LAPI) series (which also include employment and total population at both the state and county level). REMI also relies on numerous other data sources including the Bureau of Labor Statistics, Energy Information Administration, Center for Disease Control and Prevention, National Center for Health Statistics, and the Department of Defense. *Source: remi.com.*



References

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- Wyoming Department of Revenue, Education & Taxability (2023). *The Effects of the Sales and Use Tax Exemption for Manufacturing Machinery, Sixteenth Edition*. Cheyenne, WY.

Appendices

Appendix A: Manufacturing Machinery Survey Form 108 Cover Letter

Appendix B: Manufacturing Machinery Survey Form 108

Appendix A: Manufacturing Machinery Survey Form 108 Cover Letter

The State



of Wyoming

DEPARTMENT OF REVENUE

122 W 25TH ST STE E301
HERSCHLER BUILDING EAST
CHEYENNE WY 82002-0110
E-Mail: dor@wyo.gov
Web: <https://revenue.wyo.gov>

MARK GORDON, *Governor*
BRENDA L. HENSON, *Director*

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) 777-7231

Dear Manufacturer:

Effective July 1, 2004, the Wyoming Legislature passed a sales/use tax exemption designed to benefit and diversify Wyoming's manufacturing sector. This exemption applies to qualifying machinery, materials used to construct the machinery, specialized tools and repair parts. This survey has been sent to you because the Department of Revenue has received information that you are a manufacturer, and you are therefore statutorily required to respond to the survey. [W.S. 39-15-105(b)]

To qualify for the exemption, a manufacturer must satisfy two requirements. First, the manufacturer must be classified as a business primarily engaged in activities categorized under the North American Industry Classification System (NAICS) manufacturing sector. Second, the machinery must generally be capitalized using the IRS's rules regarding depreciable machinery.

Accompanying this letter is Form 108. It must be completed and returned to the Department of Revenue **no later than August 31, 2023**. If you are not a manufacturer, please provide details about your business so we can correct our database. If you are a manufacturer, but did not make any qualifying purchases, please report zero purchases.

We have also provided an online form of the survey, which will save you the cost of a stamp. To access this survey, please visit the Department of Revenue website at <https://revenue.wyo.gov>. On the upper left corner under, "What's New" is a link to the **2023 Manufacturers Machinery Survey**. The link may be accessed from there, or by going to <https://www.surveymonkey.com/r/WYO2023>.

Examples:

Quilters buy fabric, thread and batting, sew it together and "manufacture" a quilt. (NAICS code 314129) Someone who does embroidering is a manufacturer. (NAICS code 314999) A saddle maker buys the leather, cuts it, tools it, and puts it together to manufacture a saddle. (NAICS code 314999)

Please contact the department with any questions you may have at (307) 777-5200 or by e-mail at DOR_taxability@wyo.gov. Thank you for your time and attention to this matter.

Sincerely,

Bret Fanning, Administrator
Excise Tax Division

Appendix B: Manufacturing Machinery Survey Form 108



State of Wyoming

DEPARTMENT OF REVENUE

Manufacturer's Sales/Use Tax Return Form 108 Manufacturing Machinery Exemption

Per Wyoming Statutes Titles 39-15-105 & 39-16-105, this
form must be completed and returned by August 26, 2023

Please return form to:
Revenue, Excise Tax Dept.
122 West 25th Street, Ste E301
Cheyenne, Wyoming 82002

Fax: 307-777-3632
Email:
DOR_taxability@wyo.gov

Phone: 307-777-5200
Web: <https://revenue.wyo.gov>

This form may also be completed online by going to: <https://www.surveymonkey.com/r/WYO2023>

Company Name:	DBA Name: (Doing Business As)	
Address:		
City:	State:	Zip:
Email Address:	Phone:	
WY License Number or RID (if applicable)		

NAICS code(s), four or more digits, i.e. 3112 : _____

The North American Industrial Classification System (NAICS) is the standard used by Federal and state agencies to organize establishments into industries on the basis of the activity in which they are primarily engaged. To find your NAICS Code, if unknown, please visit: <https://www.naics.com/code-search/>. If your NAICS code does not fall between 3111 and 3399, stop here and sign affidavit at bottom.

If you are unsure of your NAICS code, please provide a detailed description of the process your business uses to produce products. (Even if you hand-produce individual items or modify other products, you may be categorized as a manufacturer under NAICS).

Purchases or leases of machinery (including machine tools and parts thereof or materials purchased for the repair/construction of machinery) are exempt from state sales/use tax when the machinery will be used directly and predominantly in manufacturing in Wyoming, subject to stipulations outlined in W.S. 39-15-105 and W.S. 39-16-105.*

Amount of Exempt Purchases for Machinery, Tools, Parts, and Machinery Materials (as per W.S. 39-15-105 and W.S. 39-16-105) for the period of July 1st, 2022 through June 30th, 2023. (If zero, please enter \$0.00)	\$ (See *Definitions on back for qualifications)
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I _____ (Authorized agent of company), certify that the company named on this form is entitled to the sales and use tax exemption on purchases of machinery or machine tools to be used in manufacturing, as per W.S. 39-15-105 and 39-16-105. I further certify that the Company Information, NAICS Information, and Exempt Purchases Information provided above is true and accurate to the best of my knowledge.

Signature _____ Title _____ Date _____