

SUMMARY *of* PROCEEDINGS



JOINT REVENUE COMMITTEE

COMMITTEE MEETING INFORMATION

May 28-29, 2024 | 8:30 AM
Thyra Thomson State Office Building, Round House Conference Room, 3rd Floor, Room 3024
444 W Collins Drive
Casper, Wyoming

COMMITTEE MEMBERS PRESENT

Senator Bo Biteman, Co-chairman
Representative Steve Harshman, Co-chairman
Senator Tim French
Senator Bob Ide
Senator Troy McKeown
Senator Stephan Pappas
Representative John Bear
Representative Andrew Byron
Representative Tony Locke
Representative David Northrup
Representative Ember Oakley
Representative Liz Storer
Representative Tomi Strock
Representative Dan Zwonitzer

LEGISLATIVE SERVICE OFFICE STAFF

Josh Anderson, Senior Staff Attorney
Katie Adams, Staff Attorney
Dean Temte, Senior Fiscal Analyst
Taylor DuPont, Associate Fiscal Analyst
Eve Hamilton, Legislative Editor

OTHERS PRESENT AT MEETING

Please refer to [Appendix 1-02](#) to review the Committee Sign-in Sheet for a list of other individuals who attended the meeting.

The Committee Meeting Summary of Proceedings (meeting minutes) is prepared by the Legislative Service Office (LSO) and is the official record of the proceedings of a legislative committee meeting. This document does not represent a transcript of the meeting; it is a digest of the meeting and provides a record of official actions taken by the Committee. All meeting materials and handouts provided to the Committee by the Legislative Service Office, public officials, lobbyists, and the public are on file at the Legislative Service Office and are part of the official record of the meeting. An index of these materials is provided at the end of this document and these materials are on file at the Legislative Service Office. For more information or to review meeting materials, please contact the Legislative Service Office at (307) 777-7881 or by e-mail at lso@wyoleg.gov. The Summary of Proceedings for each legislative committee meeting can be found on the Wyoming Legislature's website at www.wyoleg.gov.

EXECUTIVE SUMMARY

The Joint Revenue Committee (Committee) met for two days in Casper to begin its interim work. The Committee received information on past property tax legislation and the affects it has had. The Committee received information from the Wyoming Department of Revenue (DOR) on property tax, including property tax demographics and personal property tax. The Committee received information from Jared Walczak from the Tax Foundation on property tax solutions throughout the country and what solutions may be available for Wyoming. The Committee received information from DOR and the Legislative Service Office (LSO) on sales and use tax, including information on sales tax exemptions and the possibility of broadening sales and use taxes in the state.

CALL TO ORDER (TUESDAY, MAY 28, 2024)

Chairman Steve Harshman called the meeting to order at 8:30 AM. The following sections summarize the Committee proceedings by topic. Please refer to [Appendix 1-01](#) to review the Committee Meeting Agenda.

The meeting can be viewed on YouTube – Joint Revenue Meeting, May 28, 2024, ([AM](#)), ([PM](#)); and May 29, 2024 ([AM](#)).

REVIEW OF 2024 PROPERTY TAX BILLS

Josh Anderson, Senior Staff Attorney, LSO, reviewed the following 2024 property tax bills:

- HB0003 – Property tax exemption for long-term homeowners. ([Appendix 2-01](#))
- HB0004 – Property tax refund program. ([Appendix 2-02](#))
- HB0018 – Property tax-inflation cap. ([Appendix 2-03](#))
- HB0045 – Property tax exemption-residential structures and land. ([Appendix 2-04](#))
- HJ0001 – Property tax-classes of property and residential value. ([Appendix 2-05](#))
- SF0054 – Homeowner tax exemption. ([Appendix 2-06](#))

Brenda Henson, Director, DOR, provided an update on the bills which were passed during the 2023 and 2024 session and their impacts. Director Henson addressed 2023 SJ0001 – Property tax residential property class, explaining that it provides the legislature with questions about property tax that need to be addressed, and noted that there is currently no restriction on claiming multiple property exemptions. She further addressed the long-term homeowners tax exemption as laid out in HB0003, stating that tax assessors around the state have questions on this exemption. She also provided an overview of the application form which DOR is drafting for the application for this tax exemption. Director Henson explained that due to the 2024 refunds, DOR would need to submit a supplemental budget request.

Public Comment

Pat Meyer, Park County Assessor, provided information on how the property tax bills have affected Park County ([Appendix 2-07](#)).

Ross Schriftman from Casper provided public comment on how rising property taxes have affected him and other residents in Natrona County.

PROPERTY TAX: PERSONAL PROPERTY

Kenneth Guille, Property Tax Division Administrator, DOR, presented information on personal property tax ([Appendix 3-01](#)). He provided information on the difference between tangible personal property and intangible personal property, and which property can be taxed. Mr. Guille then provided an overview of

personal property, which is taxed in the State of Wyoming, including information on how DOR calculates the value of personal property. Mr. Guille went on to explain Wyoming's de minimis exemption, and how other states have provided exemptions for business personal property. Further, he provided a comparison of Wyoming's personal property valuation method with Colorado's method.

Public Comment

Travis Deti, Executive Director, Wyoming Mining Association, testified about the state of the coal industry and how much the industry pays in taxes. He requested tax relief for the coal industry.

Pete Obermueller, President, Petroleum Association of Wyoming, testified on the current severance tax on minerals and requested tax relief for the industry.

Ashley Harpstreith, Executive Director, Wyoming Taxpayer Association (WTA), discussed several options to revise the personal property tax laws.

Bobby Rolston, WTA, provided information on trending and depreciation.

Jerimiah Rieman, Wyoming County Commissioners Association, provided information on tangible property taxes and to what extent these taxes provide revenue to counties.

WYOMING PROPERTY TAX DEMOGRAPHICS

Director Henson provided information to the Committee on Wyoming's property tax demographics ([Appendix 5-03](#)). This included information on what is considered real property and personal property, who pays property tax in the state, and the historical percentage of total assessed value per property type. Director Henson also provided information on owner occupied houses in Wyoming and how the property tax bills from previous years targeted specific groups of the population in the state (i.e., veterans, those 65 or older, etc.). She then provided information on where Wyoming property taxes go, with a majority going to support the school districts.

Dean Temte, Senior Fiscal Analyst, LSO, provided a summary on how Wyoming property taxes compare with surrounding states and North Dakota ([Appendix 5-01](#)). This included comparisons of homestead property taxes, commercial property taxes, and industrial property taxes. Mr. Temte stated that although Wyoming's effective tax rate has increased over the years, the states effective tax rate is below the national average.

Taylor DuPont, Associate Fiscal Analyst, LSO, provided information regarding the estimated impact from imposing a \$1 million exemption on all non-mineral property ([Appendix 5-02](#)). Non-mineral property includes agricultural property, residential property, commercial property, industrial property, and state-assessed non-mineral property. Mr. DuPont summarized the total impacts of various hypothetical exemption levels to residential and non-mineral property.

Public Comment

Mr. Obermueller requested that the Committee take a wholistic approach when considering taxes on minerals.

Mr. Meyer commented on the farmstead acreage requirements and the community college funding with property taxes.

Rozmaring Czaban, a resident of Casper, commented on property taxes and expressed a desire to have more exemptions over refunds.

Brett Glass, a resident of Laramie, expressed a need for property tax relief for landlords and mixed-use property.

"GRAPPLING WITH THE NEW PROPERTY TAX REVOLT"

Jared Walczak, Vice President of State Projects, Tax Foundation, presented information on property tax relief around the country (**Appendix 6-01**). He presented information on property tax trends throughout the country, and how specific states were hoping to eliminate property taxes in the country. Mr. Walczak encouraged the Committee to carefully consider the potential negative side effects of replacing property taxes with an increased sales tax. Additionally, he identified how the state's tax system could be improved regarding sales tax and tangible personal property.

Public Comment

Ms. Czaban testified on how property insurance rates are increasing and suggested cutting education spending.

RECESS

The Committee recessed at 4:50 PM.

CALL TO ORDER (WEDNESDAY, MAY 29, 2024)

Chairman Harshman called the meeting to order at 8:30 AM.

SALES TAX: NATIONAL AND REGIONAL COMPARISON

Mr. Temte presented comparisons of sales tax on a national and regional level (**Appendix 9-01**). He explained that 45 of the 50 states impose a state sales tax, with the sales taxes ranging from 2.9% to 7.25%. Wyoming's state sales tax is 4.0%, which is the second lowest rate among states with a state sales tax. Mr. Temte further explained that 46 of 50 states allow imposition of local sales tax, with Wyoming's weighted average sales tax at 5.44%, making it the lowest rate among states with sales tax. Mr. Temte.

SALES TAX: EXEMPTIONS

Bret Fanning, Excise Tax Administrator, DOR, provided information on Wyoming's sales and use taxes (**Appendix 10-01**). Mr. Fanning explained the difference between something that is non-taxable and something that qualifies for a sales tax exemption. He went through Wyoming statute regarding sales tax exemptions, stating that there are three types of exemptions: entity-based exemptions; use-based exemptions; and product-based exemptions. Mr. Fanning discussed the possibility of streamlining sales taxes and exemptions to make the process easier for vendors and customers to navigate.

Public Comment

Jody Levin spoke on behalf of the trona industry and provided information on the state of the trona industry and testified that sales and use tax exemptions would help the industry.

SALES TAX: BROADENING OF SALES TAX

Mr. Temte provided information on the estimated revenue increases that would result from broadening Wyoming's sales and use taxes (**Appendix 12-01**). He explained that this could result from either repealing selected current sales and use tax exemptions or by imposing these taxes on specified services that are not

currently subject to sales tax. Mr. Temte provided the Committee with an estimate of selected sales and use tax exemptions as well as estimates of specified services that are not currently taxable.

Public Comment

David Bush, Black Hills Energy, testified on the amount of data centers in the state and noted that there are tax exemptions in other states for data centers.

Ms. Czaban offered testimony in opposition of expanding the sales tax base and suggested the Legislature should consider cutting spending.

DIRECTIONS TO STAFF

The Committee directed LSO to do the following:

- Research wholesale for resale tax exemptions.
- Research and draft a bill on increasing the de minimis personal property tax exemption at \$50 thousand increments up to \$250 thousand to see what effects it will have on counties and businesses. Research should include the level of exemption to fully exempt the 350 small oil and gas operators in the state.
- Draft a bill to amend W.S. 39-11-105 and any related statutes to include the following: provide counties, cities, and other taxing political subdivisions the option to provide claw back to 2019; add residential related structures; make the exemption the lesser of +3% or CPI.
- Research levy limits and possibly draft a bill with inflation of plus 3% with levy limits.
- Research what the effects would be if 2024 HB0003 were made permanent.
- Research solutions and draft a bill to amend cigar and tobacco taxes to address online vendors.
- Resurrect 2024 SF0054 as a bill draft.
- Research tangible personal property tax regarding trending and how to stop trending when the asset has been depreciated to 20%. Research should include information on how this would impact counties and the state.
- Draft a bill to address issues raised by DOR is the Constitutional amendment on residential property passes.
- Draft a bill on tangible personal property so the applied index rate is not higher than the depreciation on the property.
- Draft a bill to streamline and simplify the tax code on exemptions.
- Lowering the assessment rate on industrial from 11.5% to 9.5% either all at once or in half-percent increments over four years, so everyone is at the same rate.
- Clean up 2024 HB004 and 2024 HB003.

MEETING ADJOURNMENT

There being no further business, Chairman Harshman adjourned the meeting at 12:35 PM.

Respectfully submitted,

Senator Bo Biteman and Representative Steve Harshman

Committee Meeting Materials Index

Index Number	Agenda Item	Document Description	Document Provider
1-01		Agenda	Legislative Service Office
1-02		Sign-In Sheet	Legislative Service Office
2-01	Review of 2024 Property Tax Bills	HB003 - Property tax exemptions for long-term homeowners.	Legislative Service Office
2-02	Review of 2024 Property Tax Bills	HB0004 - Property tax refund program.	Legislative Service Office
2-03	Review of 2024 Property Tax Bills	HB0018 - Property tax-inflation cap.	Legislative Service Office
2-04	Review of 2024 Property Tax Bills	HB0045 - Property tax exemption-residential structures and land.	Legislative Service Office
2-05	Review of 2024 Property Tax Bills	HJ0001 - Property tax-classes of property and residential value.	Legislative Service Office
2-06	Review of 2024 Property Tax Bills	SF0054 - Homeowner tax exemption.	Legislative Service Office
2-07	Review of 2024 Property Tax Bills	Property Tax Assessment Park County	Pat Meyer, Park County Assessor
3-01	Property Tax: Personal Property	Wyoming Personal Property Valuation	Wyoming Department of Revenue
5-01	Wyoming Property Tax Demographics	Wyoming Property Tax - Comparison with Surrounding States and North Dakota	Legislative Service Office
5-02	Wyoming Property Tax Demographics	\$1 Million Exemption to All Non-Mineral Property	Legislative Service Office

5-03	Wyoming Property Tax Demographics	Wyoming Property Tax Demographics	Wyoming Department of Revenue
6-01	"Grappling with the New Property Tax Revolt"	Grappling with the New Property Tax Revolt	Jared Walczak, Vice President of State Projects, Tax Foundation
9-01	Sales Tax: National and Regional Comparison	Sales Tax: National and Regional Comparison	Legislative Service Office
10-01	Sales Tax: Exemptions	Wyoming Sales/Use Tax Exemptions	Wyoming Department of Revenue
12-01	Sales Tax: Broadening of Sales Tax	Broadening of Sales Tax: Repeal of Exemptions and Taxation of Services	Legislative Service Office
12-02	Sales Tax: Broadening of Sales Tax	Summary Matrix of Various Scenarios for Property Tax Exemptions and Sale Tax Increase	Legislative Service Office

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