

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

Industrial production inventory-exemption.

Sponsored by: Joint Minerals, Business & Economic
Development Interim Committee

A BILL

for

1 AN ACT relating to taxation and revenue; providing an ad
2 valorem tax exemption for the storage of industrial
3 production equipment in the state; specifying conditions
4 and requirements for the exemption; providing definitions;
5 and providing for an effective date.

6

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

8

9 **Section 1.** W.S. 39-11-105(a) by creating a new
10 paragraph (xlvi) and by creating a new subsection (c), 39-
11 15-104(f) by creating a new paragraph (xvii) and 39-16-

1 104(e) by creating a new paragraph (viii) are amended to
2 read:

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4 *****
5 *****

6 STAFF COMMENT

7

8 The term "temporary" is used to describe the storage
9 exemption authorized in this bill draft. The Committee may
10 wish to consider defining what that period is (i.e., how
11 long may the industrial equipment remain in storage and
12 receive the exemption provided in this draft).

13

14 *****
15 *****

16

17 39-11-105. Exemptions.

18

19 (a) The following property is exempt from property
20 taxation:

21

22 (xlvi) Property that is stored by the purchaser
23 in this state before the first installation of the property
24 as industrial production equipment in this state, in
25 accordance with the conditions and requirements of
26 subsection (c) of this section.

27

28 (c) Industrial production equipment that is stored in
29 this state before the first installation of the property in

1 this state shall be exempt from property taxation during
2 the temporary storage or inventory period, in accordance
3 with the following:

4

5 (i) As used in this subsection:

6

7 (A) "Commercial storage facility" means a
8 facility where industrial production equipment is
9 temporarily stored before installation and that has been
10 approved by the department;

11

12 (B) "Industrial production" means any of the
13 following:

14

15 (I) Manufacturing, milling, converting,
16 producing, processing or fabricating materials;

17

18 (II) The extraction or processing of
19 minerals;

20

21 (III) The mechanical, chemical or
22 electronic transformation of property into new products;

23

1

(IV) Agricultural activities;

2

3

(V) Other industrial activities.

4

5

(C) "Industrial production equipment" means any equipment designed specifically for use in industrial production, including pipes necessary for pipelines used for the transportation of minerals and excluding manufacturing machinery that is exempt from sales tax under W.S. 39-15-105(a)(viii)(O) or from use tax under W.S. 39-16-105(a)(viii)(D) and mobile machinery;

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(D) "Mobile machinery" means any equipment, machinery or vehicle that can move from place to place under its own power or that can be moved, transported or towed from place to place, including equipment, machinery or vehicles that are used to transport industrial production equipment.

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(ii) To qualify for the exemption under this subsection, Wyoming sales or use tax shall be paid on the property upon removal of the property from the commercial storage facility. The Wyoming sales or use tax shall be

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1 paid on the property in the county where it is installed at
2 the rate imposed by that county and in accordance with this
3 act;

4

5 (iii) The county assessor or the department may
6 require any documentation necessary to verify that the
7 industrial production equipment is eligible for the
8 exemption under this subsection;

9

10 (iv) To qualify for the exemption, the industrial
11 production equipment shall be temporarily stored or placed
12 in inventory at a commercial storage facility that has been
13 approved by the department;

14

15 (v) Industrial production equipment that
16 qualifies for the exemption under this section may remain
17 eligible for the exemption under this subsection if the
18 equipment remains in temporary storage or inventory at a
19 commercial storage facility, provided that the purchaser
20 does not install or fix the equipment for use in industrial
21 production;

22

1 (vi) The exemption under this subsection shall
2 not apply to:

3
4 (A) Industrial production equipment with a
5 sales price of less than fifty thousand dollars
6 (\$50,000.00);

7
8 (B) Mobile machinery;

9
10 (C) Raw materials used in industrial
11 production.

12
13 (vii) The department shall promulgate rules for
14 the application of the exemption under this subsection,
15 including rules to:

16
17 (A) Require taxpayers to notify the
18 department of the purchase, storage and installation of
19 qualifying industrial production equipment;

20
21 (B) Specify the requirements and
22 qualifications for a facility or location to qualify as a
23 commercial storage facility.

1

2 **39-15-104. Taxation rate.**

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4 (f) The tax rate imposed upon a transaction subject
5 to this chapter shall be sourced as follows:

6

7 (xvii) Unless otherwise provided by this
8 subsection, the retail sale, excluding lease or rental, of
9 industrial production equipment as defined by W.S. 39-11-
10 105(c)(i)(C) shall be sourced to the location in which the
11 equipment is intended to be installed for permanent use or
12 operation.

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14 **39-16-104. Taxation rate.**

15

16 (e) The tax rate imposed upon a transaction subject
17 to this chapter shall be sourced as follows:

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19 (viii) Unless otherwise provided by this
20 subsection, the retail sale, excluding lease or rental, of
21 industrial production equipment as defined by W.S. 39-11-
22 105(c)(i)(C) shall be sourced to the location in which the

1 equipment is intended to be installed for permanent use or
2 operation.

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4 **Section 2.** This act is effective July 1, 2025.

5

6 (END)