



Sales and Use Taxes, Direct Distribution, and Additional Options



**Appropriations Committee
June 24, 2025**

State Sales and Use Tax – 4%

- State Share: 69%
 - \$671,422,213
- County and Municipal Share: 31% minus administrative fee (1% of 31%)
 - Distributed first by source of sale and second proportional to population.
 - \$301,272,823

Source – Wyoming Department of Revenue – *2024 Annual Report*



Taxable Contribution by County Grouping

70.16% - Albany, Campbell, Converse, Laramie, Natrona, Sweetwater, Teton (7 counties)

21.58% - Carbon, Fremont, Lincoln, Park, Sheridan, Sublette, Uinta (7 counties)

8.26% - Big Horn, Crook, Goshen, Hot Springs, Johnson, Niobrara, Platte, Washakie, Weston (9 counties)

*Data includes counties and municipalities.

Source - Wyoming Department of Revenue – *2024 Annual Report*

Local Sales and Use Tax

The so-called 5th, 6th and 7th pennies...

- 21 of 23 counties have general-purpose pennies totaling \$230,790,835
 - ½ penny increments not to exceed 2 pennies
 - Permanent-eligible
- 10 of 23 counties have a specific-purpose penny totaling \$114,057,486
 - Not to exceed 2 pennies
 - Time-specific
- 2 counties have an economic development fractional penny totaling \$5,112,011
 - ¼ penny increments not to exceed 1 penny
 - Time-specific

Source – Wyoming Department of Revenue – *2024 Annual Report*

Municipal Option – Sales and Use Tax

- If a county has imposed 1) at least 1 penny general-purpose AND 2) has approved or continued a specific-purpose tax, a municipality may consider a municipal-option tax.
 - ¼ penny increments not to exceed 1 penny for general-purposes OR, for specific-purposes, cannot collect more than the municipality would collect under a countywide specific-purpose tax.
 - May use funds for general-purposes or a specific purpose.
- Alternatively, if no countywide general- or specific-purpose tax is imposed, county commissioners may grant authorization for a municipality to propose a municipal-option tax.
 - County commissioner establish the maximum taxation rate in ¼ penny increments not to exceed 1 penny.
 - Authorization terminates after 2 years.
- City of Casper implementing and others considering.



Memorializing Direct Distribution



Why?

- Local tax base has been eroded.
 - Elimination of grocery tax and institution of additional sales and use tax exemptions.
 - Reduction or elimination of business and residential property taxes.
- Direct distribution has been authorized continuously since 2004.
- Current system may disincentivize economic growth/incentive.

A solution must:

- Minimize further tiering.
 - The point of direct distribution is to assist communities in the second and third tiers.
- Minimize the incentive for voters to reject other local option taxes at the expense of smaller municipalities and counties; AND
- Maintain the critical balance between cities, towns and counties.

WAM/WCCA Proposal

- Maintain existing 31% state sales and use tax county and municipal share without changing the distribution model.
- Dedicate 8% of the state share of the state sales and use tax to local governments with the total amount distributed to counties and municipalities through the existing direct distribution model (see [2024 HB0070 Local government distributions.](#)).
 - 2024 HB0070 distribution equals \$73,125,000 annually.
 - Proposal allocates approximately \$77 million annually.
- Benefit:
 - Does NOT raise taxes.
 - Generally, little impact on state revenues.
 - Provides growth potential for counties and municipalities.
 - Eliminates biennial wrangling over direct distribution.



Additional Options for Redirecting State Sales and Use Tax (non-direct distribution)

Increasing Local Sales and Use Tax Distributions

- Consider reducing or eliminating various sales and use tax exemptions (see W.S. 39-15-105) to increase state and local tax distributions.
- Offset local property tax losses with state sales and use tax.
 - Requires reworking distribution formulas.
 - Property tax favors counties while sales and use tax favors municipalities.
 - Property taxes distributed to special districts and schools whereas sales and use taxes are not.

Questions?

Jerimiah Rieman, Executive Director, Wyoming County Commissioners Association

Ashley Harpstreith, Executive Director, Wyoming Association of Municipalities

