DRAFT ONLY NOT APPROVED FOR INTRODUCTION

HOUSE BILL NO.

Residential property tax replacement.

Sponsored by: Joint Revenue Interim Committee

A BILL

for

AN ACT relating to taxation and revenue; establishing a 1 property tax exemption for residential real property; 2 3 providing a sales and use tax to provide funding to local governments due to the decrease in revenue from property 4 tax exemptions; providing an exemption to the additional 5 sales and use tax as specified; providing for distribution 6 of the sales and use tax; making conforming amendments; 7 providing rulemaking authority; specifying applicability; 8 9 and providing for an effective date.

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11 Be It Enacted by the Legislature of the State of Wyoming:

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1
         Section 1. W.S. 39-11-105(a) by creating a
                                                           new
 2
    paragraph (xlviii), 39-15-104 by creating a new subsection
 3
    (j), 39-15-111(b)(intro) and by creating a new subsection
 4
    (s), 39-16-104 by creating a new subsection (g)
                                                           and
    39-16-111(b)(intro) are amended to read:
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 6
 7
         39-11-105. Exemptions.
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 9
         (a) The following property is exempt from property
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    taxation:
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12
             (xlviii) A portion of the fair market value of
    residential real property. The following shall apply to the
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    exemption under this paragraph:
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16
                  (A) The amount of the exemption shall be
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    the first two hundred thousand dollars ($200,000.00) of the
    fair market value of residential real property in tax year
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19
    2026 and the first two million dollars ($2,000,000.00) of
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    the fair market value of residential real property in tax
    year 2027 and thereafter. The amount of the exemption under
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    this subparagraph shall be inflated from two million
22
    dollars ($2,000,000.00) on an annual basis beginning in tax
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price index or its successor partment of labor, bureau of
partment of labor, bureau of
-
(2%), whichever is less;
rtment shall adopt rules
emption under this paragraph;
this paragraph, "residential
perty improved by a dwelling
than three (3) families and
l land where the dwelling is
by the owner of the dwelling.
e of residence including a
idual condominium unit if the
residence.
********* OMMENT ption, the Committee may want er property tax exemptions to the statutes. The Committee or all of the exemptions in: (xlv) and (xlvi). ***********************************
********* ******* ******* ******* OMMENT ption, the Committee may very constant and the exemptions or all of the exemptions of the e

1 39-15-104. Taxation rat

3 (j) In addition to the sales tax under subsections 4 (a) and (b) of this section, beginning July 1, 2026 there 5 is imposed an additional sales tax as provided in this subsection. The additional sales tax imposed under this 6 7 subsection shall not apply to sales to industrial 8 facilities as defined by W.S. 35-12-102(a)(vii) that are subject to permitting by the industrial siting council 9 10 under W.S. 35-12-101 through 35-12-119 during the period of permitting and construction of the industrial facility. The 11 12 revenue from the tax under this subsection shall be 13 distributed as provided in W.S. 39-15-111(s). The rate of 14 the sales tax under this subsection shall be two percent 15 (2%), which shall be administered as if the sales tax rate 16 under subsections (a) and (b) of this section was increased 17 from four percent (4%) to six percent (6%).

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19 **39-15-111.** Distribution.

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(b) Revenues earned under W.S. 39-15-104 during each 22 fiscal year shall be recognized as revenue during that 23 fiscal year for accounting purposes. Except as otherwise

provided in subsection subsections (p) and (s) of this 1 2 section, for all revenue collected by the department under 3 W.S. 39-15-104 the department shall: 4 5 (s) An amount equal to the tax revenue collected that is attributable to the tax under W.S. 39-15-104(j) and 6 39-16-104(g) shall be transferred to the property tax 7 8 reduction and replacement account, which is hereby created. 9 All funds within the account shall be invested by the state 10 treasurer as provided by law and all investment earnings from the account shall be credited to the account. An 11 12 amount in the account equal to the tax revenue collected that is attributable to the tax under W.S. 39-15-104(j) and 13 39-16-104(g) from January 1 of each year through December 14 31 of each year shall be distributed as follows: 15 16 17 (i) An amount determined under this paragraph to each county, to be distributed by county treasurers in the 18 19 same manner property taxes are distributed as provided in 20 W.S. 39-13-111(a)(i). On or before September 1, county 21 treasurers shall certify to the department the exemptions granted under W.S. 39-11-105(a)(xlviii). If the amount 22 23 available to distribute under this subsection is

1	insufficient to fully reimburse each county and
2	governmental entity in the county as provided in this
3	paragraph, the amount provided to each county shall be
4	proportionally reduced based on the amount of revenue
5	available. The amount calculated for each county shall be
6	determined and distributed not later than February 15 of
7	each year based on the amount of revenue that the county
8	and each governmental entity within the county lost in the
9	immediately preceding year as a result of the property tax
10	exemption under W.S. 39-11-105(a)(xlviii). Beginning
11	January 1, 2027, the amount calculated for a county under
12	this paragraph shall not include any amount for mills that
13	are assessed for the repayment of bonds;
14	
15	(ii) Any amount remaining after the
16	distributions in paragraph (i) of this subsection shall
17	remain in the property tax reduction and replacement
18	account. The legislature shall annually review the amounts
19	in the account and shall consider using any funds in the
20	account for direct distributions to local governments.
21	
22	39-16-104. Taxation rate.

1	(g) In addition to the use tax under subsections (a)
2	and (b) of this section, beginning July 1, 2026 there is
3	imposed an additional use tax as provided in this
4	subsection. The additional use tax imposed under this
5	subsection shall not apply to purchases by industrial
6	facilities as defined by W.S. 35-12-102(a)(vii) that are
7	subject to permitting by the industrial siting council
8	under W.S. 35-12-101 through 35-12-119 during the period of
9	permitting and construction of the industrial facility. The
10	revenue from the tax under this subsection shall be
11	distributed as provided in W.S. 39-15-111(s). The rate of
12	the use tax under this subsection shall be two percent
13	(2%), which shall be administered as if the use tax rate
14	under subsections (a) and (b) of this section was increased
15	from four percent (4%) to six percent (6%).

17 **39-16-111.** Distribution.

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(b) Revenues earned under this article during each fiscal year shall be recognized as revenue during that fiscal year for accounting purposes. Except as provided in W.S. 39-15-111(s) for revenue attributable to the tax under W.S. 39-16-104(g), revenue collected by the department from

- 1 the taxes imposed by this article shall be transferred to
- 2 the state treasurer who shall, as specified by the
- 3 department:

- 5 **Section 2.** The department of revenue shall adopt
- 6 rules necessary to implement this act not later than July
- 7 1, 2026.

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- 9 **Section 3.** The property tax exemption provided by
- 10 W.S. 39-11-105(a)(xlviii), as created by section 1 of this
- 11 act, shall first apply to the tax year beginning January 1,
- 12 2026.

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- 14 Section 4. This act is effective immediately upon
- 15 completion of all acts necessary for a bill to become law
- 16 as provided by Article 4, Section 8 of the Wyoming
- 17 Constitution.

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19 (END)