

HOUSE BILL NO. HB0175

Sales tax on food exemption-sales tax increase.

Sponsored by: Representative(s) Robinson, Bagby, Brechtel, Esquibel, Gentile, Gilmore, Hastert, Johnson, L., Jorgensen, Landon, Martin, McOmie, Meyer, Morgan, Osborn, Reese, Thompson and Warren and Senator(s) Barrasso, Boggs, Caller, Decaria, Goodenough, Job, Massie, Mockler, Scott, Sessions and Vasey

A BILL

for

1 AN ACT relating to taxation and revenue; removing the sales
2 and use tax on food as specified; providing an increase in
3 sales and use tax as specified; providing an appropriation;
4 and providing for an effective date.

5

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

7

8 **Section 1.** [Removes sales and use tax on food] W.S.
9 39-15-101(a) by creating a new paragraph (xix),
10 39-15-105(a)(vi) by creating a new subparagraph (E),
11 39-16-101(a) by creating a new paragraph (xiii) and
12 39-16-105(a)(vi) by creating a new subparagraph (E) are
13 amended to read:

14

1 **39-15-101. Definitions.**

2

3 (a) As used in this article:

4

5 (xix) "Food" means food for domestic home
6 consumption as defined by department rule and regulation.

7

8 **39-15-105. Exemptions.**

9

10 (a) The following sales or leases are exempt from the
11 excise tax imposed by this article:

12

13 (vi) For the purpose of exempting sales of
14 services and tangible personal property which are essential
15 human goods and services, the following are exempt:

16

17 (E) Sales of food for domestic home
18 consumption.

19

20 **39-16-101. Definitions.**

21

22 (a) As used in this article:

23

1 (xiii) "Food" means food for domestic home
2 consumption as defined by department rule and regulation.

3
4 **39-16-105. Exemptions.**

5
6 (a) The following purchases or leases are exempt from
7 the excise tax imposed by this article:

8
9 (vi) For the purpose of exempting sales of
10 services and tangible personal property and services which
11 are essential human goods and services, the following are
12 exempt:

13
14 (E) Purchases of food for domestic home
15 consumption.

16
17 **Section 2.** [Increases statewide sales and use tax by
18 1/3%] W.S. 39-15-104(b) and (d) and 39-16-104(b) and (d)
19 are amended to read:

20
21 **39-15-104. Taxation rate.**

22
23 (b) Effective July 1, ~~1993~~2004, in addition to the
24 sales tax under subsection (a) of this section, there is

1 imposed an additional sales tax of ~~one percent (1%)~~ one and
2 three-tenths percent (1.3%) which shall be administered as
3 if the sales tax rate under subsection (a) of this section
4 ~~was~~ were increased from three percent (3%) to ~~four percent~~
5 ~~(4%)~~ four and three-tenths percent (4.3%). The revenue
6 from these increases shall be distributed in the same
7 manner as other sales tax revenue under those sections.

8
9 (d) The tax imposed under subsection (b) of this
10 section shall be indexed in accordance with the formula in
11 this subsection. The tax shall be reduced to ~~one-half of~~
12 ~~one percent (.5%)~~ eight-tenths percent (.8%) effective July
13 1, if, not later than March 31, of the same year, it is
14 determined that the unappropriated general fund balance at
15 the end of the current budget period minus any expected
16 shortfall in revenue to fully fund the school foundation
17 program for the following school year will exceed thirty-
18 five million dollars (\$35,000,000.00). The governor shall
19 make this determination using actual revenues received
20 during the current fiscal year, revenue estimates of the
21 consensus revenue estimating group (CREG), actual
22 appropriations and expenditure estimates for the foundation
23 program determined by the department of education. If the
24 determination made by the governor under this formula

1 results in a reduction of the tax, the governor shall so
2 certify to the department of revenue which shall order the
3 rate reduced to ~~one-half of one percent (.5%)~~ eight-tenths
4 percent (.8%).

5

6 **39-16-104. Taxation rate.**

7

8 (b) Effective July 1, ~~1993~~ 2004, in addition to the
9 use tax under subsection (a) of this section, there is
10 imposed an additional use tax of ~~one percent (1%)~~ one and
11 three-tenths percent (1.3%) which shall be administered as
12 if the use tax rates under subsection (a) of this section
13 were increased from three percent (3%) to ~~four percent (4%)~~
14 four and three-tenths percent (4.3%). The revenue from
15 these increases shall be distributed in the same manner as
16 other use tax revenue under that subsection.

17

18 (d) The tax imposed under subsection (b) of this
19 section shall be indexed in accordance with the formula in
20 this subsection. The tax shall be reduced to ~~one-half of~~
21 ~~one percent (.5%)~~ eight-tenths percent (.8%) effective July
22 1, if, not later than March 31 of the same year, it is
23 determined that the unappropriated general fund balance at
24 the end of the current budget period minus any expected

1 shortfall in revenue to fully fund the school foundation
2 program for the following school year will exceed thirty-
3 five million dollars (\$35,000,000.00). The governor shall
4 make this determination using actual revenues received
5 during the current fiscal year, revenue estimates of the
6 consensus revenue estimating group (CREG), actual
7 appropriations and expenditure estimates for the foundation
8 program determined by the department of education. If the
9 determination made by the governor under this formula
10 results in a reduction of the tax, the governor shall so
11 certify to the department of revenue which shall order the
12 rate reduced to ~~one-half of one percent (.5%)~~ eight-tenths
13 percent (.8%).

14

15 **Section 3.** For the period beginning July 1, 2004 and
16 ending June 30, 2006, there is appropriated to the
17 department of revenue from the general fund not to exceed
18 twelve million dollars (\$12,000,000.00) for the purpose of
19 maintaining revenues to local governments that otherwise
20 would be distributed to local governments under W.S.
21 39-15-111 and 39-16-111 but for the sales and use tax
22 exemptions provided under this act. The department of
23 revenue is authorized to distribute monthly to local
24 governments funds appropriated under this section based

1 upon historical data on distributions made to local
2 governments from sales and use tax revenues from food for
3 domestic consumption. Appropriations under this section
4 shall not be expended for any purpose other than as stated
5 in this section, and unobligated funds shall revert to the
6 budget reserve account on June 30, 2006.

7

8 **Section 4.** This act is effective July 1, 2004.

9

10

(END)