

WORKING DRAFT

SENATE FILE NO. \_\_\_\_\_

Intangible property-definitions.

Sponsored by: Joint Revenue Interim Committee

A BILL

for

1 AN ACT relating to taxation and revenue; providing for the
2 taxation of intangible property as specified; providing
3 definitions; and providing for an effective date.

4

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

6

7 Section 1. W.S. 39-11-101(a)(vii),
8 39-11-105(a)(xxix) and 39-13-105 by creating a new
9 subsection (j) are amended to read:

10

11 39-11-101. Definitions.

12

13 (a) As used in this act unless otherwise specifically
14 provided:

15

16 (vii) "Intangible personal property" ~~includes:~~

17

18 ~~(A) Money and cash on hand including~~
19 ~~currency, gold, silver and other coin, bank drafts,~~
20 ~~certified checks and cashier's checks;~~

21

22 ~~(B) Money on deposit;~~

23

24 ~~(C) Accounts receivable and other credits;~~

1  
2 ~~(D) Bonds, promissory notes, debentures and~~  
3 ~~other evidences of debt;~~

4  
5 ~~(E) Shares of stock or other written~~  
6 ~~evidence of ownership;~~

7  
8 ~~(F) Judgments for the payment of money;~~

9  
10 ~~(G) Annuities and annuity contracts~~ means  
11 personal property that lacks mass and cannot be seen, felt,  
12 weighed, measured or otherwise perceived by the senses;  
13 property that has no physical existence beyond merely  
14 representational. Intangible property's value lies chiefly  
15 in what it represents, and its existence may be evidenced  
16 by a document.

17  
18 (xvi) "Tangible personal property" means  
19 personal property ~~which is neither intangible personal~~  
20 ~~property nor real property that, by its nature, is~~  
21 perceptible to the senses; property that has a physical  
22 presence beyond merely representational and that is capable  
23 of being touched; property that is able to be perceived as  
24 materially existent; property that is not intangible;

25  
26  
27 **39-11-105. Exemptions.**

28  
29 (a) The following property is exempt from property  
30 taxation:

31  
32 (xxix) Intangible personal property as provided  
33 by W.S. 39-13-105(j), and except as specified in W.S.  
34 39-13-103(b)(xi);

35  
36 **39-13-105. Exemptions.**

37  
38 (j) The following shall be exempt from property  
39 taxation:

40  
41 (i) Goodwill if established and separately  
42 identified on a company's books and records, or affirmed by  
43 generally accepted accounting, or appraisal, principles;

44  
45 (ii) Any of the following intangible items:  
46

1                   (A) Workforce in place including its  
2 composition and terms and condition, contractual or  
3 otherwise, of its employment;

4  
5                   (B) Business books and records, operating  
6 systems or any other information base including lists or  
7 other information with respect to current or prospective  
8 customers;

9  
10                   (C) Any patent, copyright, formula,  
11 process, design, pattern, know-how, format, proprietary  
12 computer software or other similar items;

13  
14                   (D) Any customer-based intangible. As used  
15 in this subparagraph, "customer-based intangible" means  
16 composition of market, market share and any other value  
17 resulting from future provision of goods or services  
18 pursuant to relationships, contractual or otherwise, in the  
19 ordinary course of business with customers. In the case of  
20 a financial institution, "customer-based intangible"  
21 includes deposit base and similar items;

22  
23                   (E) Any supplier-based intangible. As used  
24 in this subparagraph, "supplier-based intangible" means any  
25 value resulting from future acquisitions of goods or  
26 services pursuant to relationships, contractual or  
27 otherwise, in the ordinary course of business with  
28 suppliers of goods or services to be used or sold by the  
29 taxpayer.

30  
31                   (iii) Any license, permit or other right granted  
32 by a person, or by a governmental unit or an agency or  
33 instrumentality thereof;

34  
35                   (iv) Any covenant not to compete, or other  
36 arrangement to the extent such arrangement has  
37 substantially the same effect as a covenant not to compete,  
38 entered into in connection with an acquisition directly or  
39 indirectly of an interest in a trade or business or  
40 substantial portion thereof;

41  
42                   (v) Any franchise, trademark or trade name;

43  
44                   (vi) Any of the following intangible items:  
45

1                   (A) Money and cash on hand including  
 2 currency, gold, silver and other coin, bank drafts,  
 3 certified checks and cashier's checks;

4  
 5                   (B) Money on deposit;

6  
 7                   (C) Accounts receivable and other credits;

8  
 9                   (D) Bonds, promissory notes, debentures and  
 10 other evidences of debt;

11  
 12                   (E) Shares of stock or other written  
 13 evidence of ownership;

14  
 15                   (F) Judgments for the payment of money;

16  
 17                   (G) Annuities and annuity contracts.

18  
 19                   **Section 2.** This act is effective January 1, 2006.

20  
 21

(END)