



# Wyoming Tax Structure and Economic Sector Growth

A comparison to selected other states

May 11, 2017

# States included in comparison with 2016 population estimates and 2015 G.D.P.

	2016	state	2015	state
	population	rank	Current \$ G.D.P. (billions)	rank
Wyoming	585,501	50	\$39.86	49
<b>Bordering states</b>				
Colorado	5,540,545	21	\$313.75	18
Idaho	1,683,140	39	\$65.55	42
Montana	1,042,520	44	\$45.24	48
Nebraska	1,907,116	37	\$113.28	35
South Dakota	865,454	46	\$47.24	47
Utah	3,051,217	31	\$147.50	32
<b>Selected states with significant mineral production</b>				
Alaska	741,894	48	\$52.75	46
New Mexico	2,081,015	36	\$93.34	37
North Dakota	757,952	47	\$55.86	45
Oklahoma	3,923,561	28	\$185.98	29
Texas	27,862,596	2	\$1,630.08	2

# Sources of information used in comparison

- U.S. Census Bureau
  - 2014 Annual Surveys of State and Local Government Finances.
  - 2014 Annual Survey of State Government Tax Collections.
- Tax Foundation
  - Facts & Figures 2017: How does your state compare?
- U.S. Energy Information Administration
  - Monthly U.S. crude oil production
  - Monthly U.S. dry natural gas production
  - Weekly U.S. coal production
- Bureau of Labor Statistics
  - Current Employment Statistics (CES) time series
- Department of Revenue Annual Reports and/or web sites
  - Alaska, Colorado, Idaho, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah and Wyoming

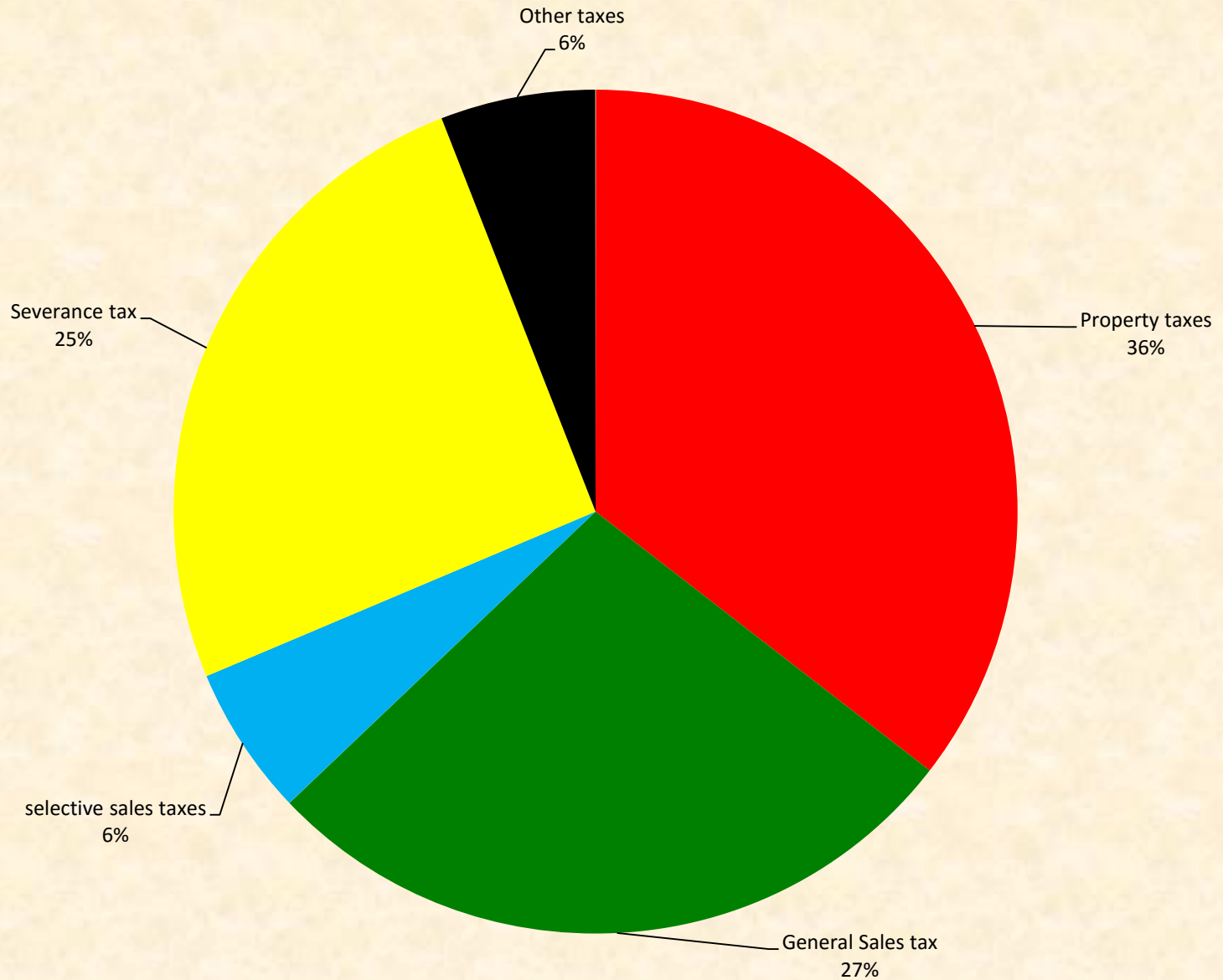
# Tax Structure Categories Included in Comparison

- Property Taxes - Taxes conditioned on ownership of property and measured by its value. Includes property taxes on mineral production
- General Sales Taxes - Includes sales, use, gross receipts taxes
- Selective Sales Taxes - Includes taxes imposed on sales of particular commodities or services, such as alcohol, tobacco, fuel, insurance premiums and other taxes
- Individual Income Taxes
- Corporate Income Taxes
- Severance Taxes
- Other Taxes - Includes all other categories such as license taxes, franchise taxes, death and gift taxes

# Major Components of Wyoming Tax Structure

- Property Taxes - 36% of FY14 total
  - property tax paid on mineral production represents 58% of FY14 total
  - Calendar year 2015 effective tax rate on owner-occupied housing value 0.54% (#46)
- General Sales Taxes - 27% of FY14 total
  - State tax rate 4% (#40), avg. local rate 1.4% = 5.4% combined rate (#44)
- Selective Sales Taxes - 6% of FY14 total
  - Fuel tax - \$0.24/gallon (#33)
  - Cigarette tax - \$0.60/pack (#42)
  - Alcohol - Beer \$0.02/gallon (#50), Wine \$0.28/gallon, Spirits \$0.94/gallon (no ranks)
  - Insurance premium tax (\$25.3 million in FY14)
- No Individual Income Taxes
- No Corporate Income Taxes
- Severance Taxes - 25% of FY14 total
  - 6% of value on oil and gas (4% on stripper oil),
  - 7% of value on surface coal, 3.75% of value on underground coal
- Other Taxes - 6% of FY14 total
  - License taxes including motor vehicle, corporate franchise taxes, wind generation tax

# Wyoming - FY 2014 state and local government tax revenues

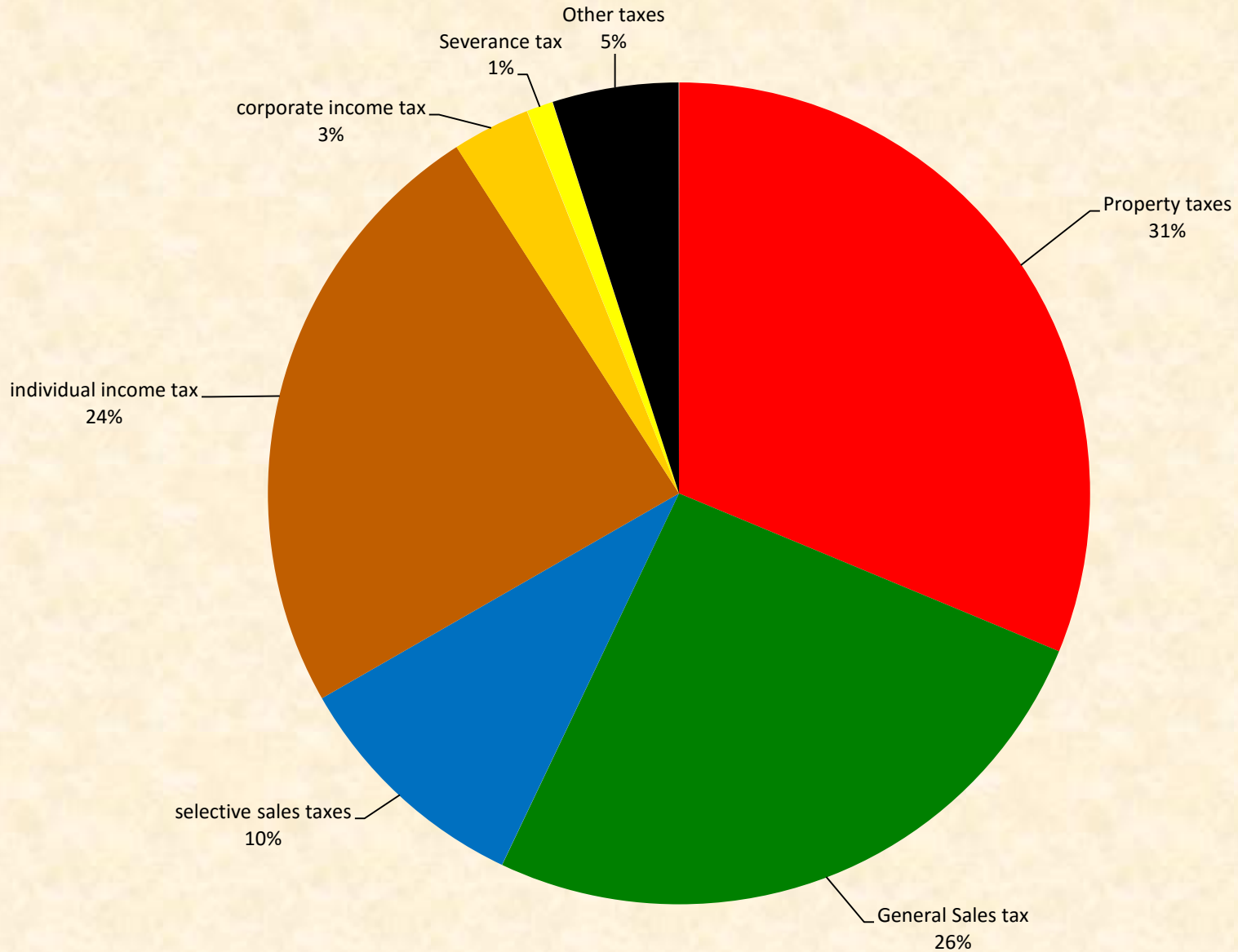




# Major Components of Colorado Tax Structure

- Property Taxes - 31% of FY14 total
  - property tax assessed on mineral production
  - Calendar year 2015 effective tax rate on owner-occupied housing value 0.55% (#44)
- General Sales Taxes - 26% of FY14 total
  - State tax rate 2.9% (#45), avg. local rate 4.6% = 7.5% combined rate (#16)
- Selective Sales Taxes - 10% of FY14 total
  - Fuel tax - \$0.22/gallon (#39)
  - Cigarette tax - \$0.84/pack (#37)
  - Alcohol - Beer \$0.08/gallon (#45), Wine \$0.32/gallon (#39), Spirits \$2.28/gallon (#47)
  - Insurance premium tax (\$239.4 million in FY14)
  - Marijuana tax – 10% sales tax on consumer, 15% excise tax on cultivator
- Individual Income Taxes - 24% of FY14 total, (4.63% of fed. taxable income)
- Corporate Income Taxes - 3% of FY14 total, (tax rate 4.63%)
- Severance Taxes - 1% of FY14 total
  - 2-5% on oil and gas gross income, \$0.788/ton on coal, 50% credit for underground coal
  - 87.5% of ad valorem taxes paid allowed as a credit on oil & gas severance tax
- Other Taxes - 5% of FY14 total
  - License taxes including motor vehicle and corporate franchise taxes

# Colorado - FY 2014 state and local government tax revenues

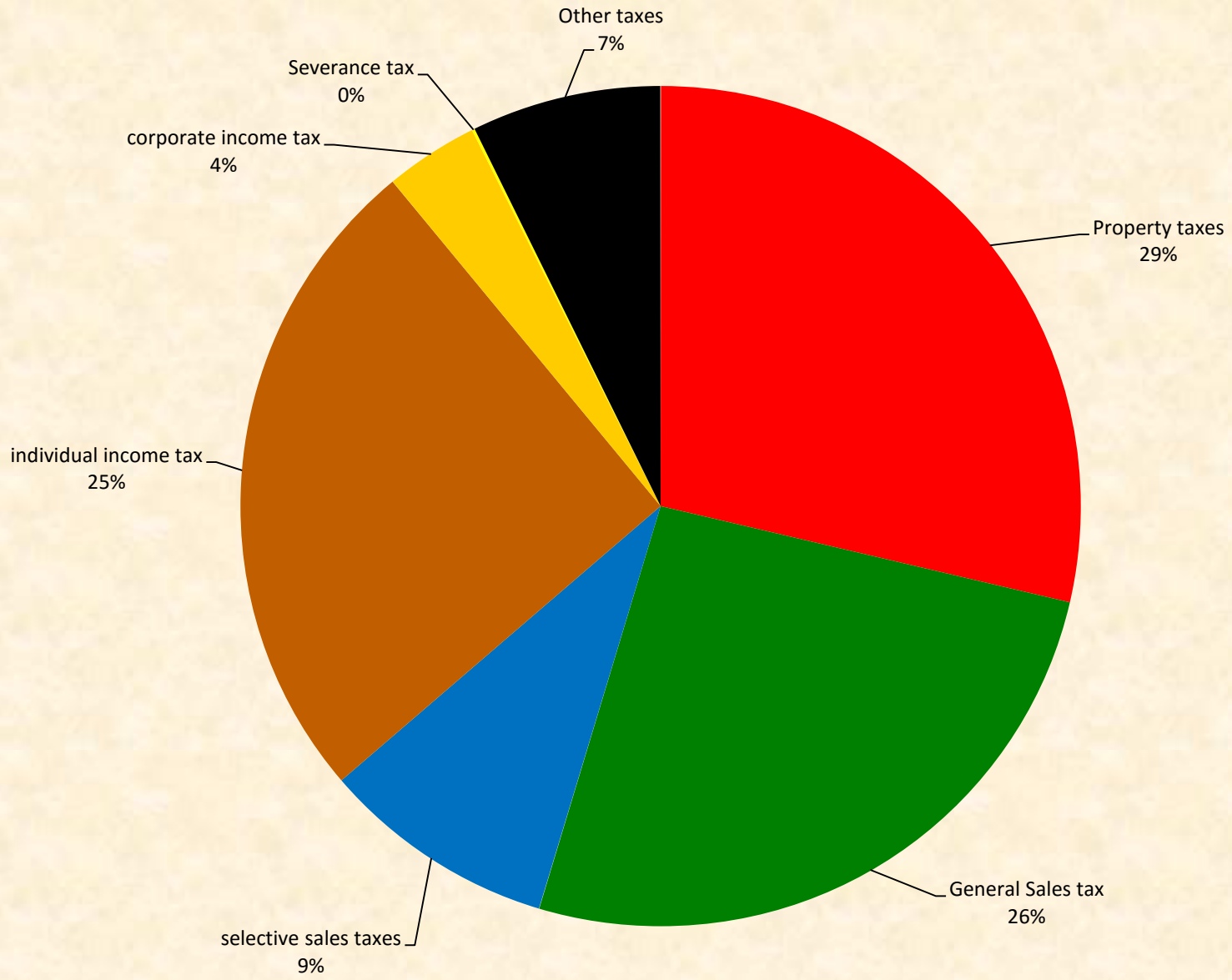




# Major Components of Idaho Tax Structure

- Property Taxes - 29% of FY14 total
  - No property tax assessed on mineral production
  - Calendar year 2015 effective tax rate on owner-occupied housing value 0.75% (#34)
- General Sales Taxes - 26% of FY14 total
  - State tax rate 6.0% (#16), avg. local rate 0.03% = 6.03% combined rate (#37)
- Selective Sales Taxes - 9% of FY14 total
  - Fuel tax - \$0.33/gallon (#16)
  - Cigarette tax - \$0.57/pack (#44)
  - Alcohol - Beer \$0.15/gallon (#38), Wine \$0.45/gallon (#37), Spirits \$10.98/gallon (#10)
  - Insurance premium tax (\$75.2 million in FY14)
- Individual Income Taxes - 25% of FY14 total, (tax rates 1.6% - 7.4%)
- Corporate Income Taxes - 4% of FY14 total, (tax rate 7.4%)
- Severance Taxes - 0.1% of FY14 total
  - 2-5% of value on oil and gas, 1% of value of ores extracted, including coal
- Other Taxes - 7% of FY14 total
  - License taxes including motor vehicle and corporate franchise taxes

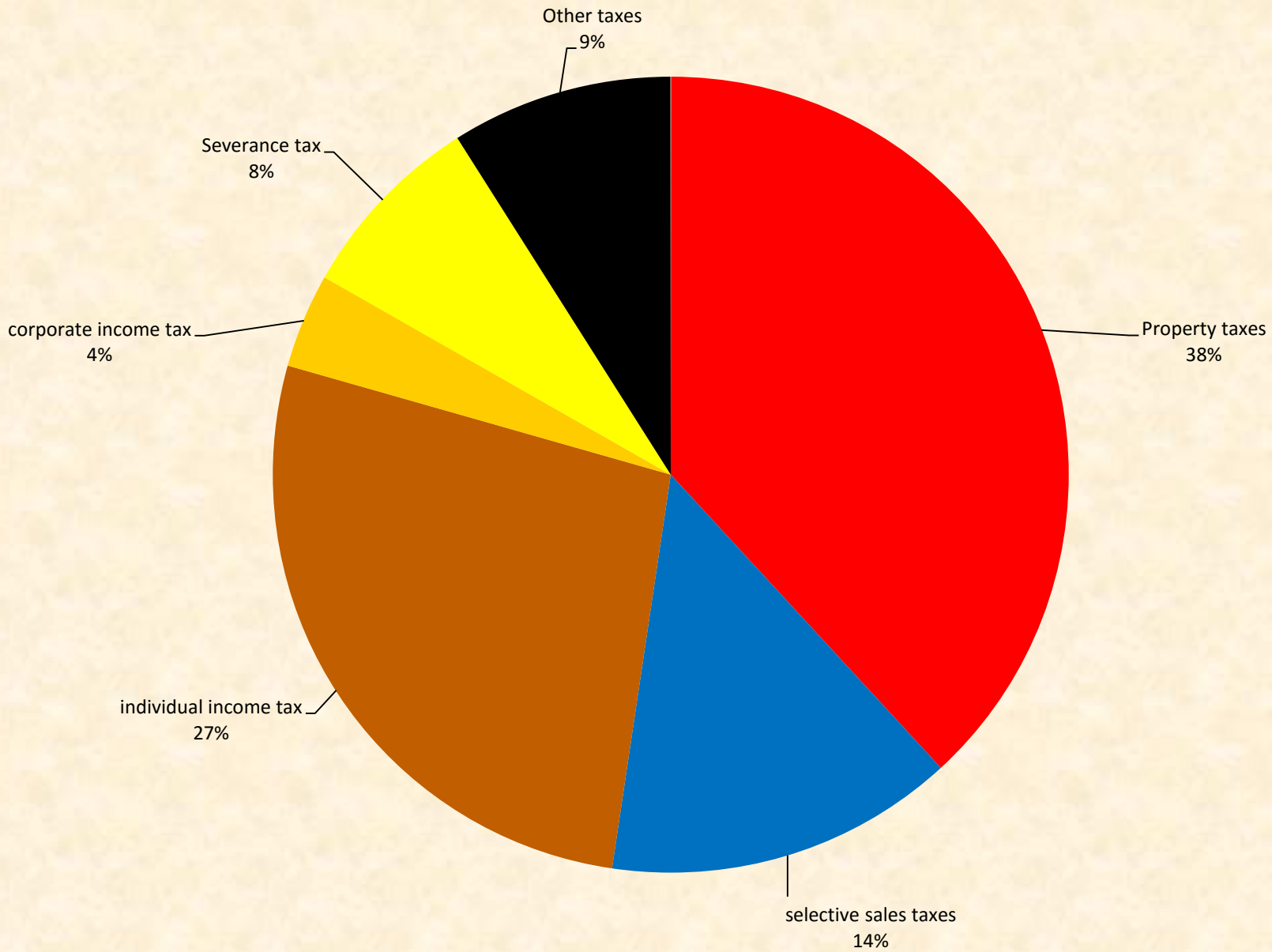
# Idaho - FY 2014 state and local government tax revenues



# Major Components of Montana Tax Structure

- Property Taxes - 38% of FY14 total
  - No property tax assessed on oil, gas or coal
  - Calendar year 2015 effective tax rate on owner-occupied housing value 0.75% (#33)
- No General Sales Taxes
- Selective Sales Taxes - 14% of FY14 total
  - Fuel tax - \$0.2775/gallon (#29)
  - Cigarette tax - \$1.70/pack (#20)
  - Alcohol - Beer \$0.14/gallon (#39), Wine \$1.06/gallon (#18), Spirits \$9.84/gallon (#12)
  - Insurance premium tax (\$88.1 million in FY14)
- Individual Income Taxes - 27% of FY14 total, (tax rates 1.0% - 6.9%)
- Corporate Income Taxes - 4% of FY14 total, (tax rate 6.75%)
- Severance Taxes - 8% of FY14 total
  - 9.26% - 12.76% of value on oil, with various incentives
  - 9.26% - 15.06% of value on gas, with various incentives
  - 10% - 15% of value on surface coal, 3% - 4% of value of underground coal
  - 5% coal gross proceeds tax, with abatement up to 2.5% on some underground coal
- Other Taxes - 9% of FY14 total
  - License taxes including motor vehicle and corporate franchise taxes

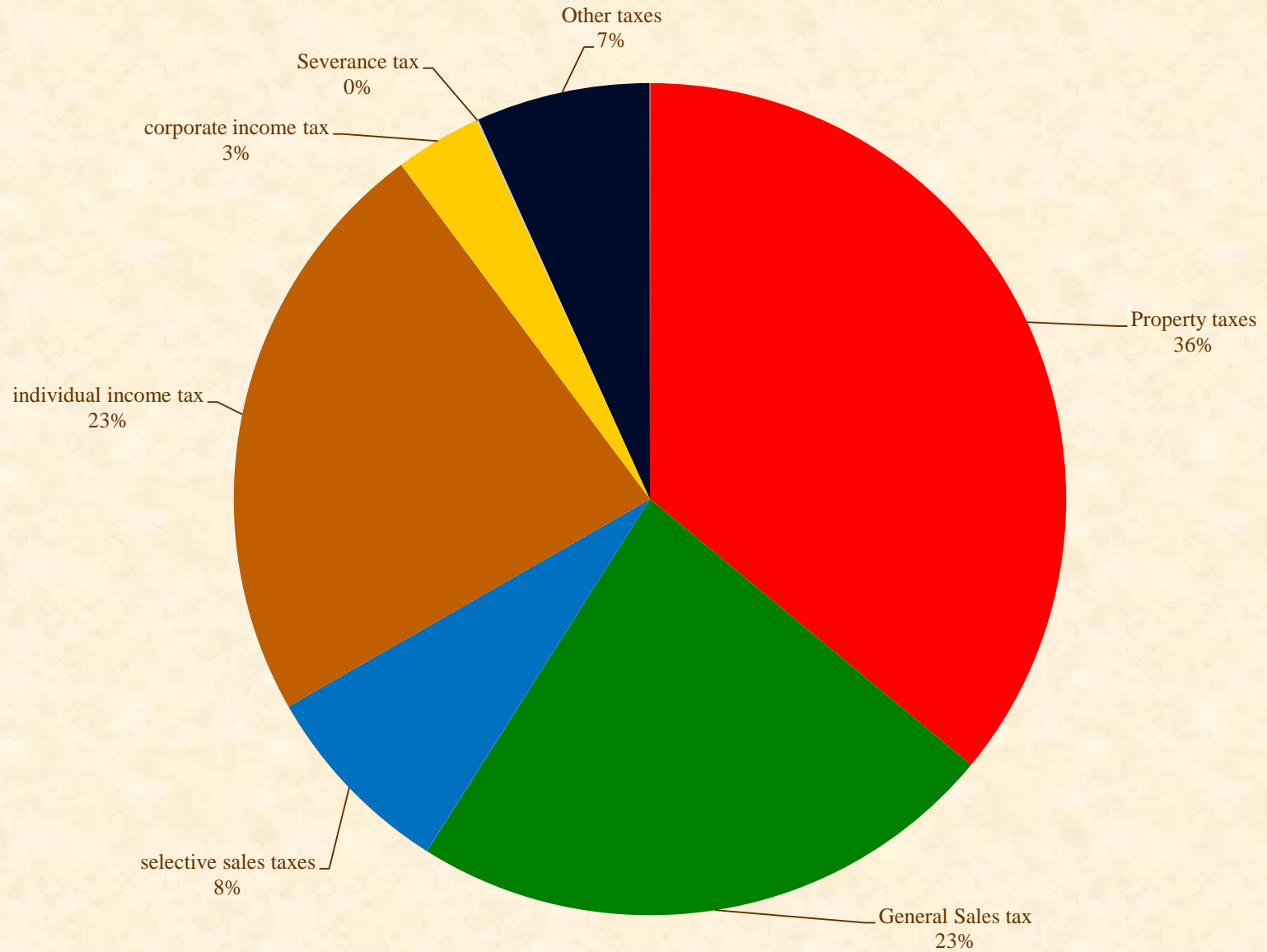
# Montana - FY 2014 state and local government tax revenues



# Major Components of Nebraska Tax Structure

- Property Taxes - 36% of FY14 total
  - No property tax assessed on mineral production
  - Calendar year 2015 effective tax rate on owner-occupied housing value 1.59% (#8)
- General Sales Taxes - 23% of FY14 total
  - State tax rate 5.5% (#29), avg. local rate 1.39% = 6.89% combined rate (#25)
- Selective Sales Taxes - 8% of FY14 total
  - Fuel tax - \$0.282/gallon (#27)
  - Cigarette tax - \$0.64/pack (#40)
  - Alcohol - Beer \$0.31/gallon (#20), Wine \$0.95/gallon (#23), Spirits \$3.75/gallon (#37)
  - Insurance premium tax (\$42.7 million in FY14)
- Individual Income Taxes - 23% of FY14 total, (tax rates 2.46% - 6.84%)
- Corporate Income Taxes - 3% of FY14 total, (tax rate 5.58% - 7.81%)
- Severance Taxes - 0.07% of FY14 total
  - 3% of value on oil, 2% of value on stripper
  - 3% of value on gas
  - No coal severance tax
- Other Taxes - 7% of FY14 total
  - License taxes including motor vehicle and corporate franchise taxes

# Nebraska - FY 2014 state and local government tax revenues

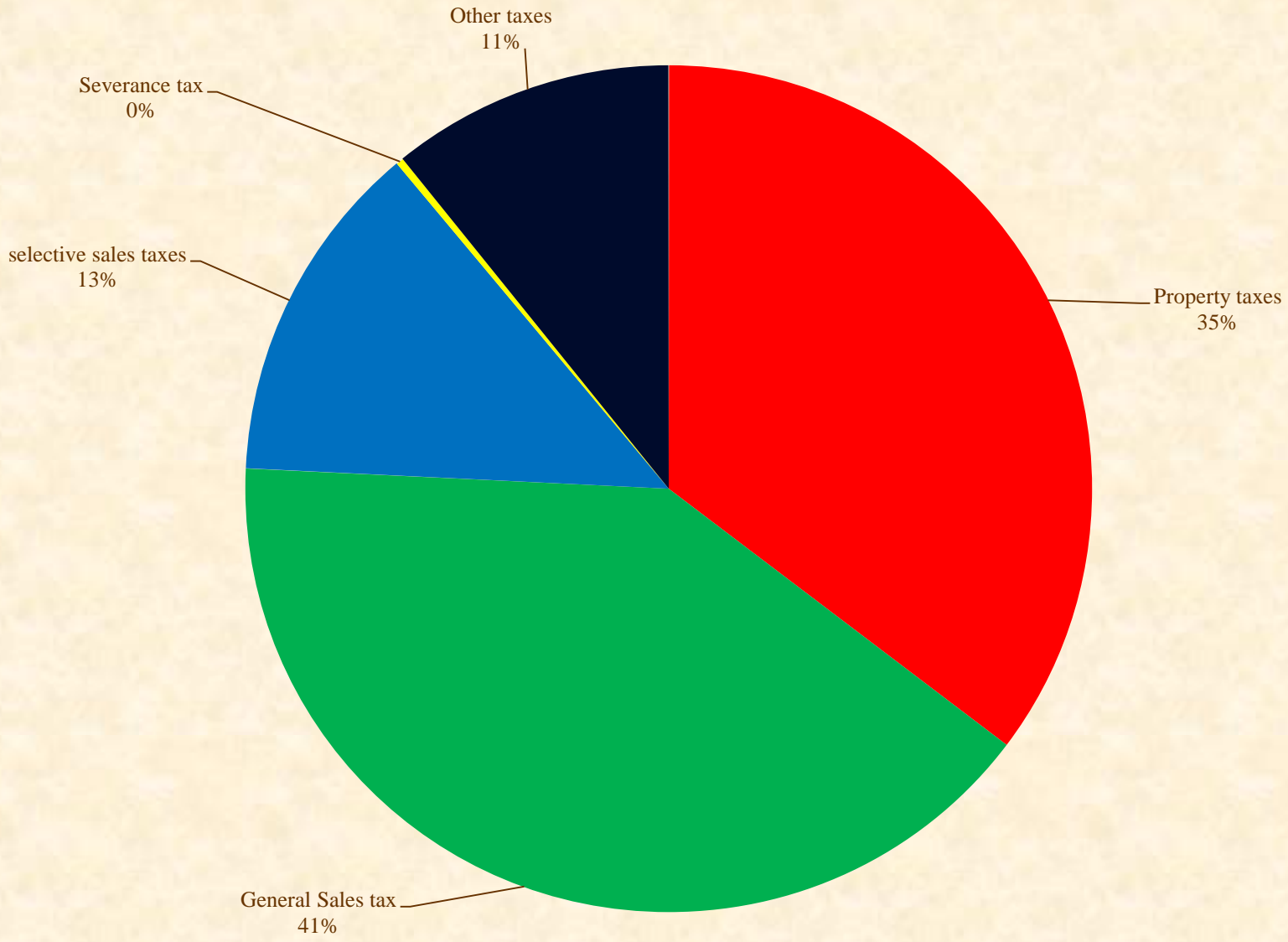




# Major Components of South Dakota Tax Structure

- Property Taxes - 35% of FY14 total
  - No property tax paid on mineral production
  - Calendar year 2015 effective tax rate on owner-occupied housing value 1.19% (#17)
- General Sales Taxes - 41% of FY14 total
  - State tax rate 4.5% (#37), avg. local rate 1.89% = 6.39% combined rate (#31)
- Selective Sales Taxes - 13% of FY14 total
  - Fuel tax - \$0.30/gallon (#24)
  - Cigarette tax - \$1.53/pack (#25)
  - Alcohol - Beer \$0.27/gallon (#22), Wine \$1.29/gallon (#14), Spirits \$4.68/gallon (#32)
  - Insurance premium tax (\$77.4 million in FY14)
  - 2% Prime contractor excise tax
- No Individual Income Taxes
- No Corporate Income Taxes
- Severance Taxes - 0.3% of FY14 total
  - 4.5% of value energy minerals, including oil, gas and coal
- Other Taxes - 11% of FY14 total
  - License taxes including motor vehicle, corporate and bank franchise taxes

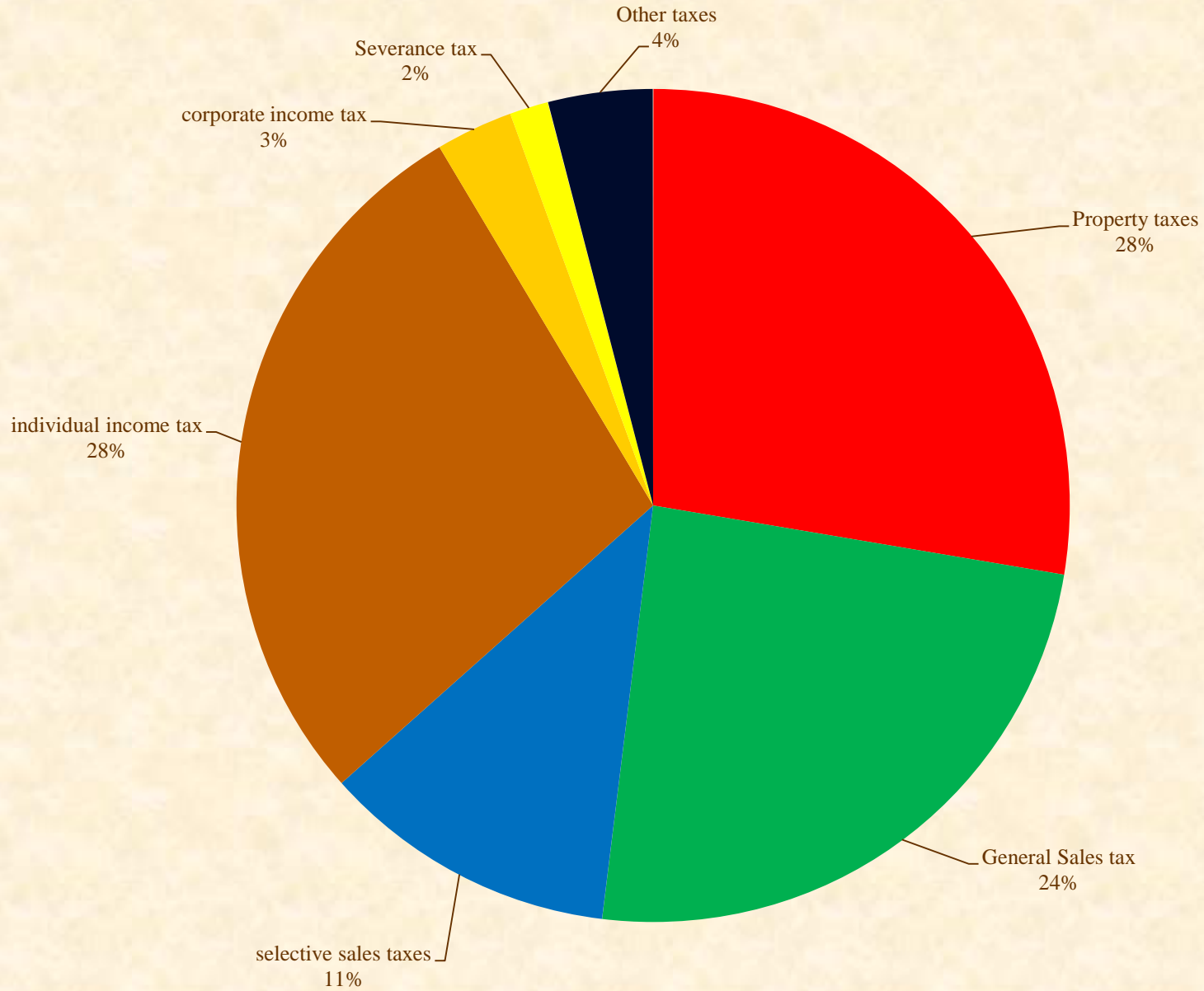
# South Dakota - FY 2014 state and local government tax revenues



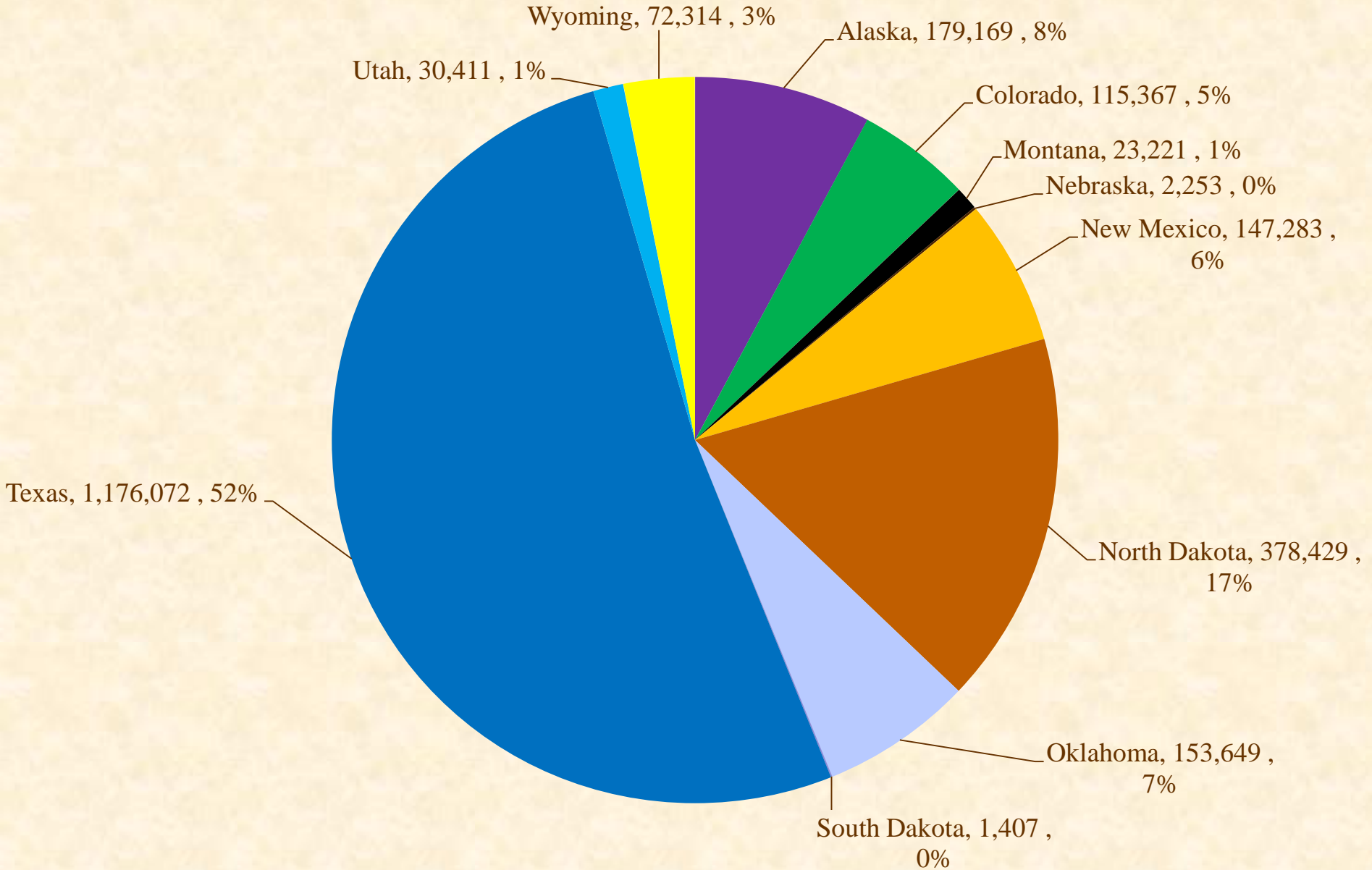
# Major Components of Utah Tax Structure

- Property Taxes - 28% of FY14 total
  - Property tax assessed on mineral reserves
  - Calendar year 2015 effective tax rate on owner-occupied housing value 0.64% (#40)
- General Sales Taxes - 24% of FY14 total
  - State tax rate 5.95% (#26), avg. local rate 0.81% = 6.76% combined rate (#30)
- Selective Sales Taxes - 11% of FY14 total
  - Fuel tax - \$0.2941/gallon (#25)
  - Cigarette tax - \$1.70/pack (#20)
  - Alcohol - Beer \$0.41/gallon (#13), Wine and spirits – mandatory markup (no rank)
  - Insurance premium tax (\$113.3 million in FY14)
- Individual Income Taxes - 28% of FY14 total, (tax rate 5%)
- Corporate Income Taxes - 3% of FY14 total, (tax rate 5%)
- Severance Taxes - 2% of FY14 total
  - 3% of value on oil up to first \$13/bbl., 5% of value on oil over \$13/bbl.
  - 3% of value on gas up to first \$1.50/mcf, 5% of value on gas over \$1.50/mcf
  - No coal severance tax
- Other Taxes - 4% of FY14 total
  - License taxes including motor vehicle and corporate franchise taxes

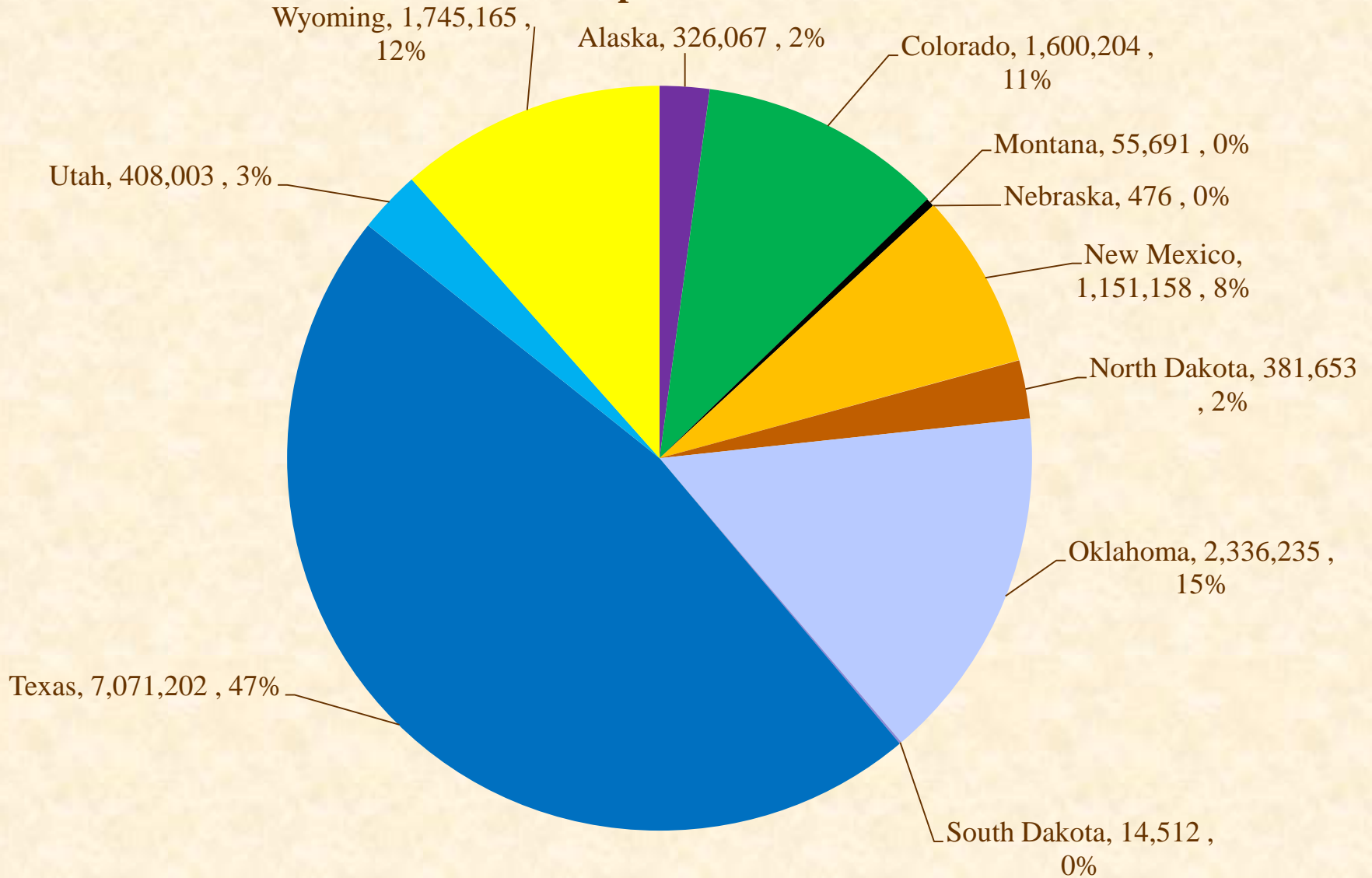
# Utah - FY 2014 state and local government tax revenues



# Barrels (thousands) and percent of 2016 oil production in compared states

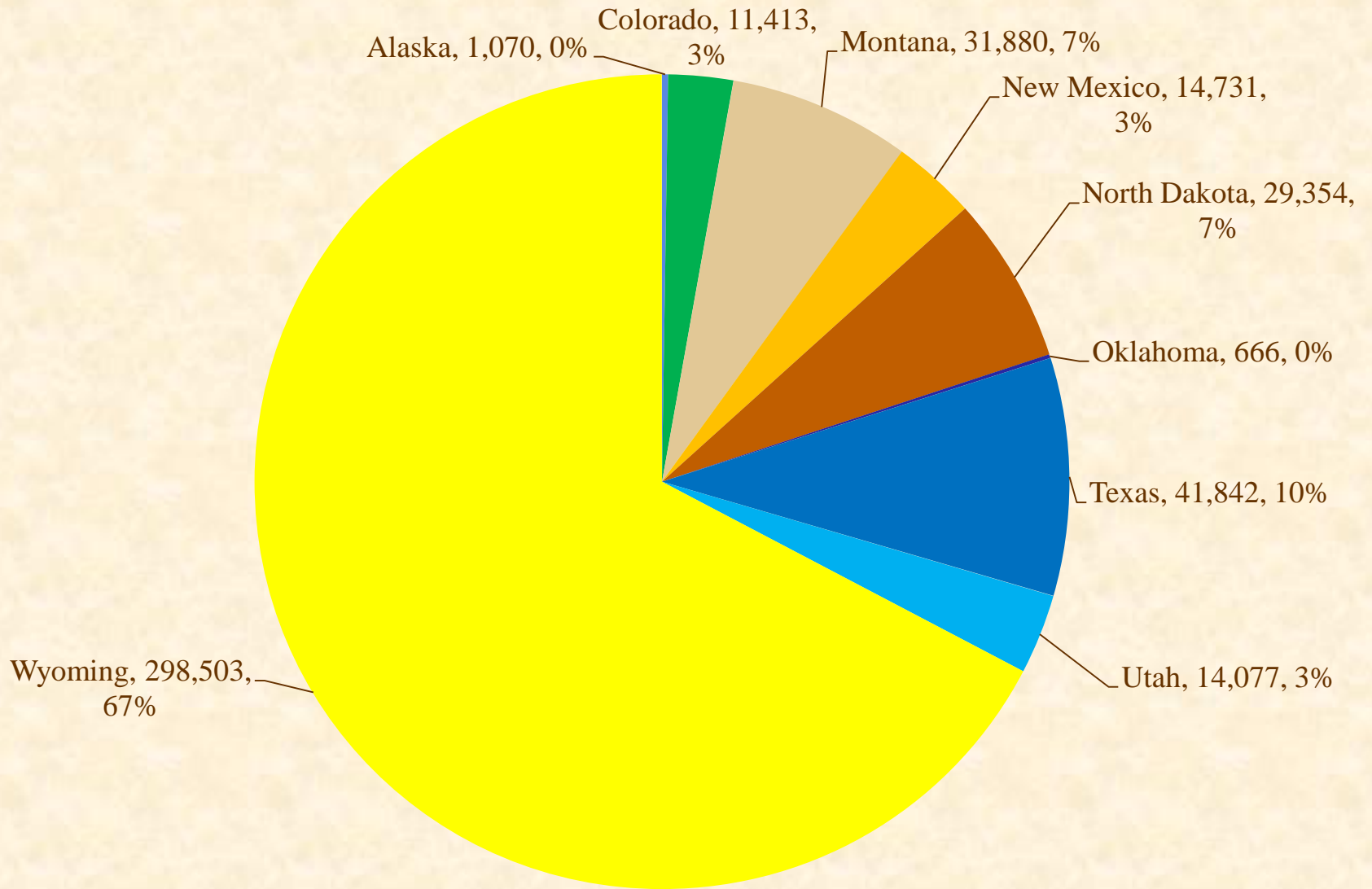


# MMCF (million cubic feet) and percent of 2015 dry gas production in compared states





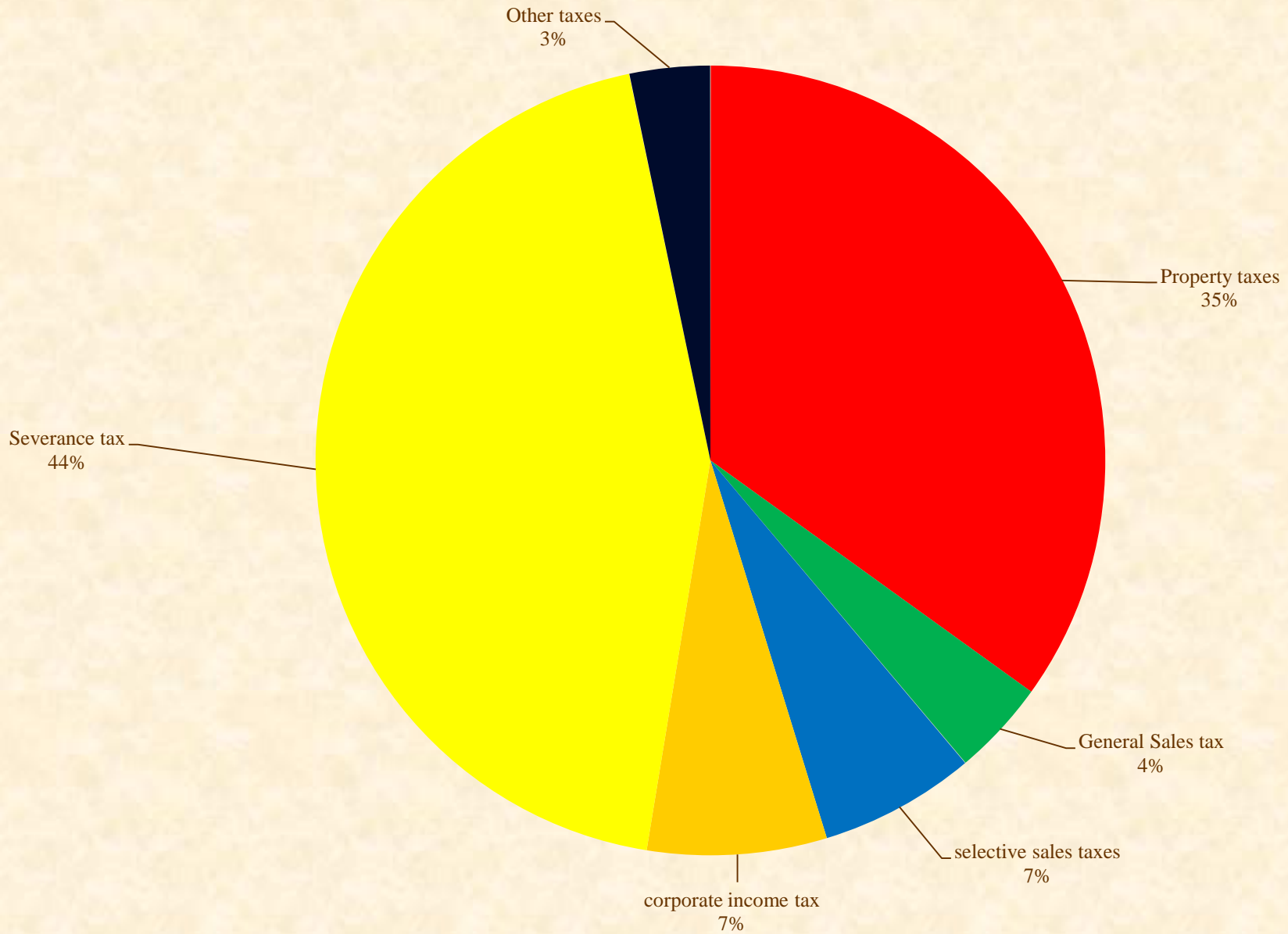
# Tons (thousands) and percent of 2016 coal production in compared states



# Major Components of Alaska Tax Structure

- Property Taxes - 35% of FY14 total
  - No property tax on mineral production
  - Calendar year 2015 effective tax rate on owner-occupied housing value 0.97% (#23)
- General Sales Taxes - 4% of FY14 total
  - No state sales tax, avg. local rate 1.76% = 1.76% combined rate (#46)
- Selective Sales Taxes - 7% of FY14 total
  - Fuel tax - \$0.1225/gallon (#50)
  - Cigarette tax - \$2.00/pack (#12)
  - Alcohol - Beer \$1.07/gallon (#2), wine \$2.50/gallon (#2), spirits \$12.80/gallon (#7)
  - Insurance premium tax (\$62.3 million in FY14)
- No Individual Income Tax
- Corporate Income Taxes - 7% of FY14 total, (tax rate 0% - 9.4%)
- Severance Taxes - 44% of FY14 total
  - 35% of production tax value on oil and gas, with 12 potential credits
  - 0% - 7% on mining net income (coal production)
- Other Taxes - 3% of FY14 total
  - License taxes including motor vehicle and other license taxes

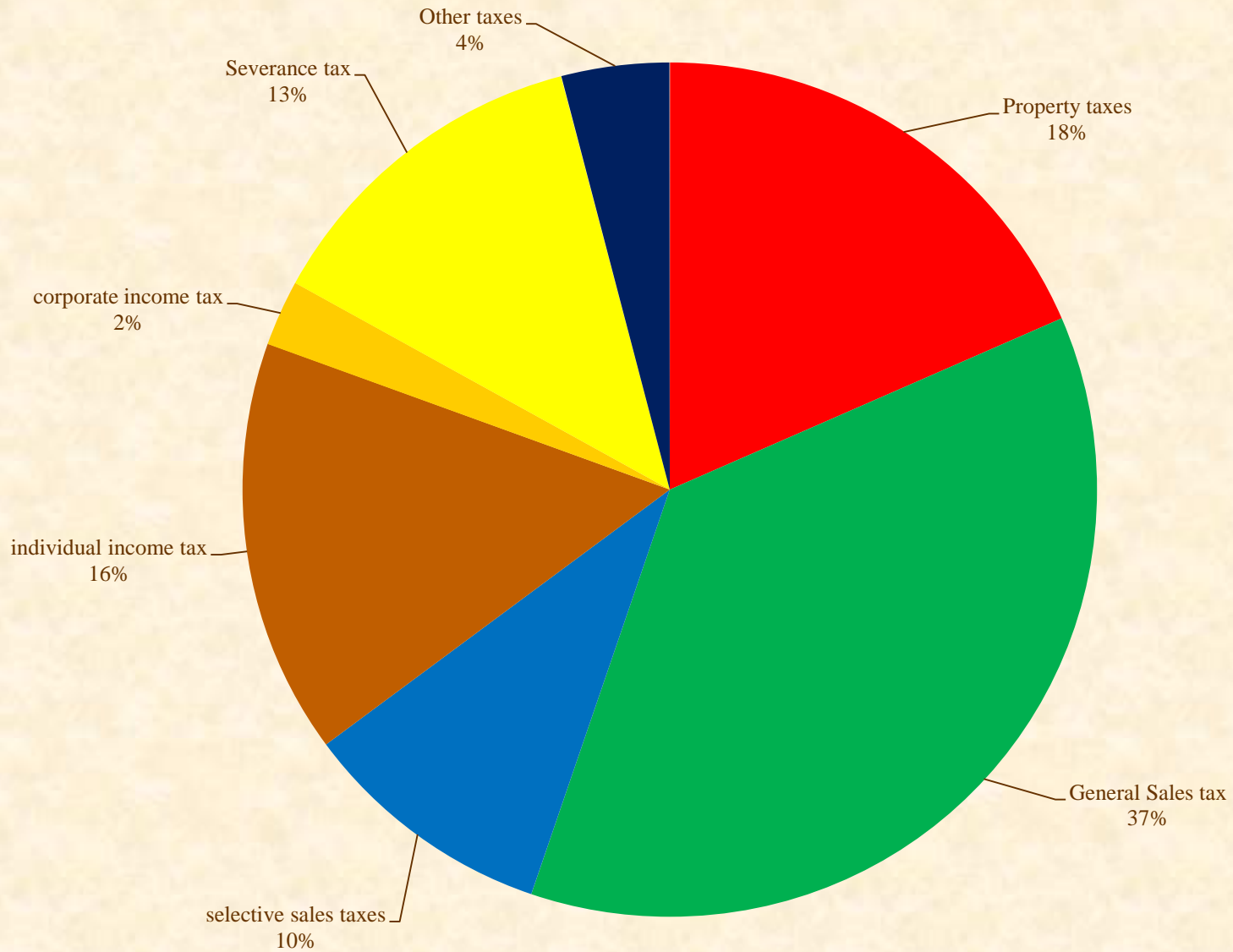
# Alaska - FY 2014 state and local government tax revenues



# Major Components of New Mexico Tax Structure

- Property Taxes - 18% of FY14 total
  - property tax assessed on oil and gas production
  - Calendar year 2015 effective tax rate on owner-occupied housing value 0.66% (#39)
- General Sales Taxes - 37% of FY14 total
  - State tax rate 5.125% (#32), avg. local rate 2.43% = 7.55% combined rate (#15)
- Selective Sales Taxes - 10% of FY14 total
  - Fuel tax - \$0.1888/gallon (#45)
  - Cigarette tax - \$1.66/pack (#22)
  - Alcohol - Beer \$0.41/gallon (#13), Wine \$1.70/gallon (#5), Spirits \$6.06/gallon (#22)
  - Insurance premium tax (\$99.8 million in FY14)
- Individual Income Taxes - 16% of FY14 total, (1.7% - 4.9%)
- Corporate Income Taxes - 2% of FY14 total, (tax rate 4.8% - 6.2%)
- Severance Taxes - 13% of FY14 total
  - 6.9% (combined) of value on oil and 7.75% (combined) of value on gas
  - \$0.57/ton + \$1.28/ton surtax (with exemptions) = \$1.85/ton on surface coal
  - \$0.55/ton + plus \$1.23/ton surtax (with exemptions) = \$1.78/ton on underground coal
- Other Taxes - 4% of FY14 total
  - License taxes including motor vehicle and corporate franchise taxes

# New Mexico - FY 2014 state and local government tax revenues

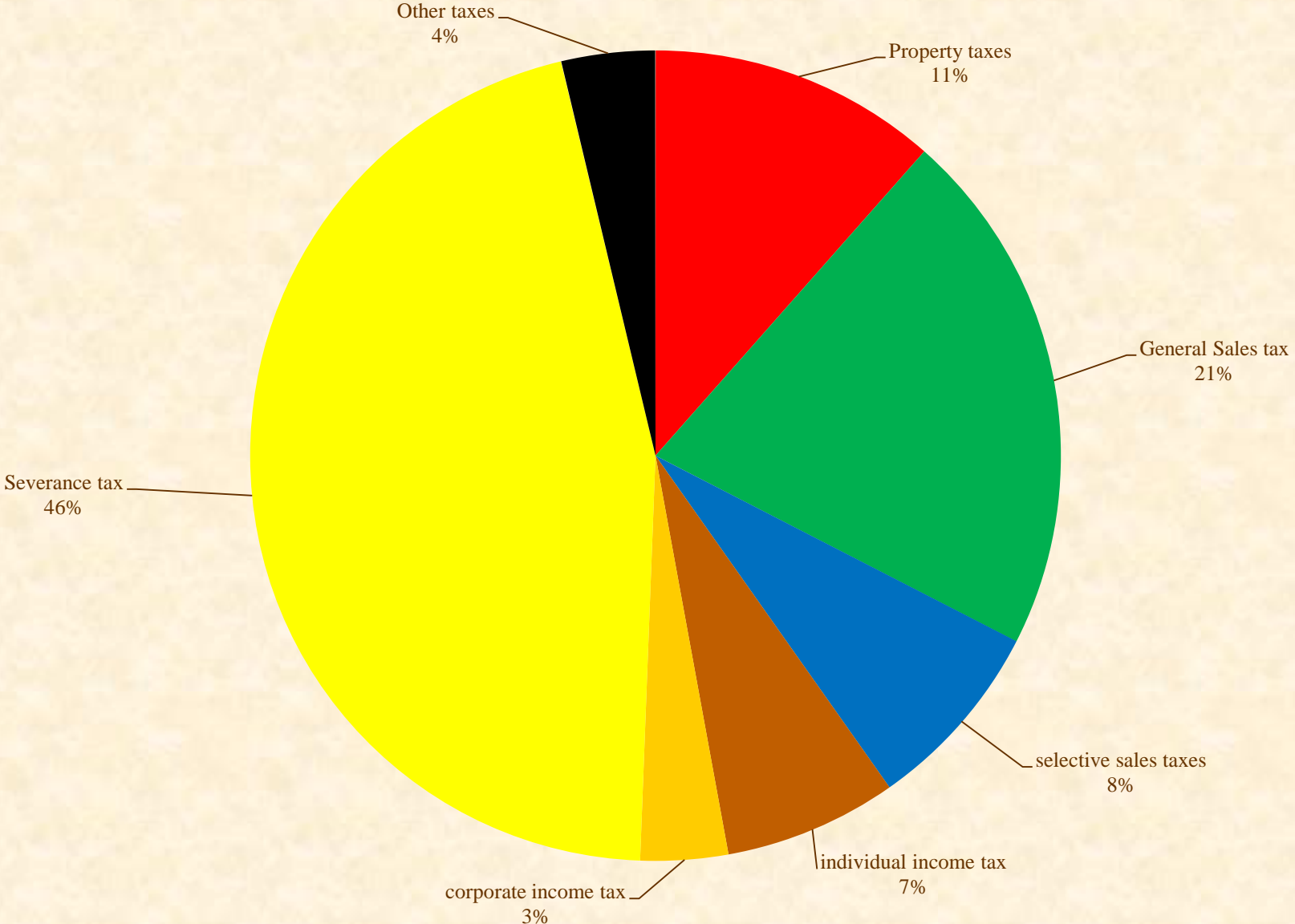


# Major Components of North Dakota Tax Structure

- Property Taxes - 11% of FY14 total
  - No property tax assessed on mineral production
  - Calendar year 2015 effective tax rate on owner-occupied housing value 0.88% (#27)
- General Sales Taxes - 21% of FY14 total
  - State tax rate 5% (#33), avg. local rate 1.78% = 6.78% combined rate (#29)
- Selective Sales Taxes - 8% of FY14 total
  - Fuel tax - \$0.23/gallon (#35)
  - Cigarette tax - \$0.44/pack (#47)
  - Alcohol - Beer \$0.39/gallon (#17), Wine \$1.06/gallon (#18), Spirits \$4.66/gallon (#33)
  - Insurance premium tax (\$51.0 million in FY14)
- Individual Income Taxes - 7% of FY14 total, (1.1% - 2.9%)
- Corporate Income Taxes - 3% of FY14 total, (tax rate 1.41% - 4.31%)
- Severance Taxes - 46% of FY14 total
  - Gross production tax of 5% of value on oil and \$0.0601/mcf on gas
  - Oil extraction tax of 5% of value on oil, (2% outside Bakken & Three Forks formations)
  - \$0.395/ton on coal with exemptions
- Other Taxes - 4% of FY14 total
  - License taxes including motor vehicle and other license taxes



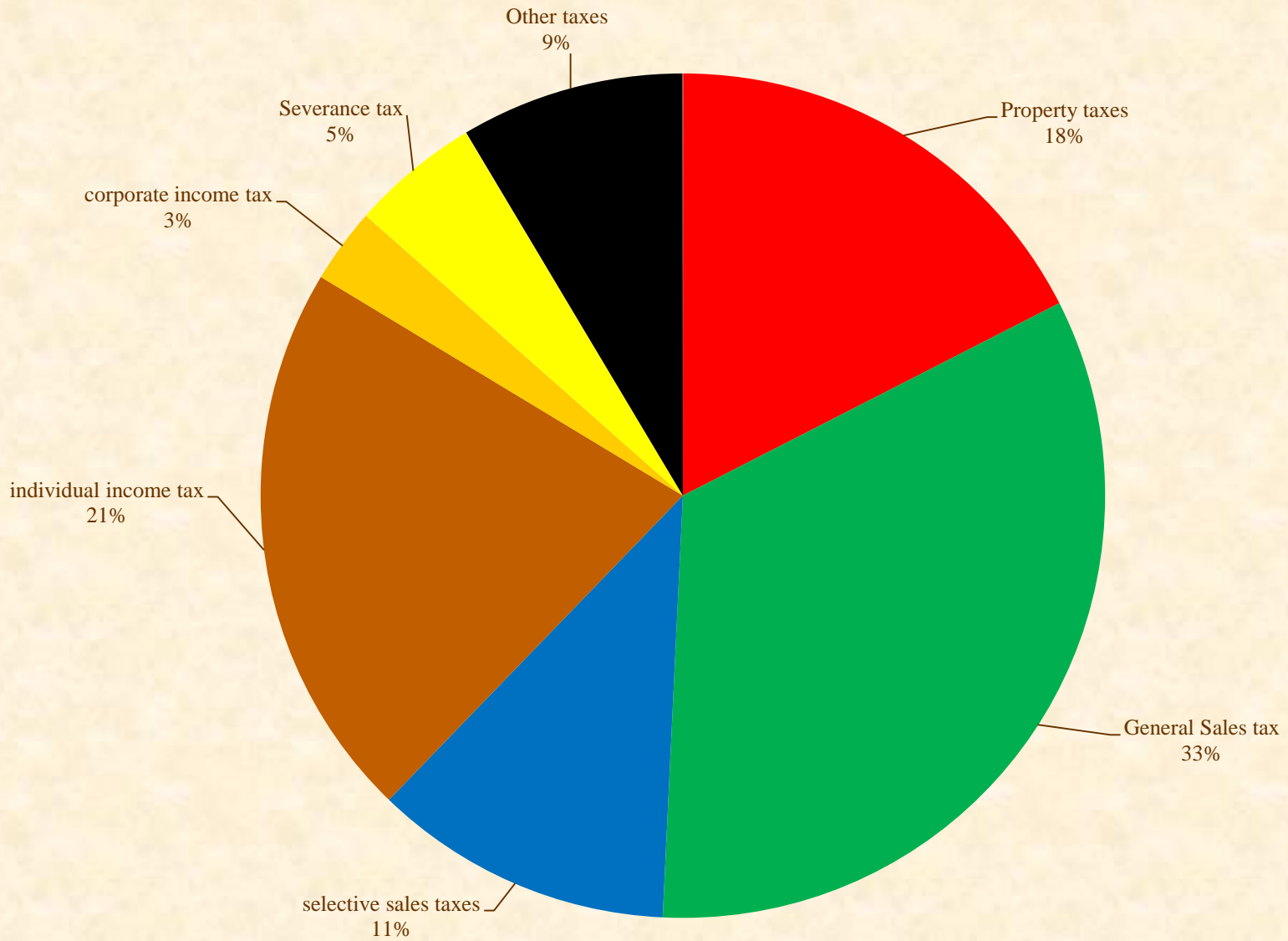
# North Dakota - FY 2014 state and local government tax revenues



# Major Components of Oklahoma Tax Structure

- Property Taxes - 18% of FY14 total
  - No property tax assessed on mineral production
  - Calendar year 2015 effective tax rate on owner-occupied housing value 0.83% (#30)
- General Sales Taxes - 33% of FY14 total
  - State tax rate 4.5% (#37), avg. local rate 4.36% = 8.86% combined rate (#6)
- Selective Sales Taxes - 11% of FY14 total
  - Fuel tax - \$0.17/gallon (#48)
  - Cigarette tax - \$1.03/pack (#34)
  - Alcohol - Beer \$0.40/gallon (#15), Wine \$0.72/gallon (#28), Spirits \$5.56/gallon (#25)
  - Insurance premium tax (\$294.8 million in FY14)
- Individual Income Taxes - 21% of FY14 total, (0.5% - 5.0%)
- Corporate Income Taxes - 3% of FY14 total, (tax rate 6%)
- Severance Taxes - 5% of FY14 total
  - Gross production tax of 7% of value on oil and gas, with lower rates at lower prices
  - No severance tax on coal
- Other Taxes - 9% of FY14 total
  - License taxes including motor vehicle, corporate franchise and other license taxes

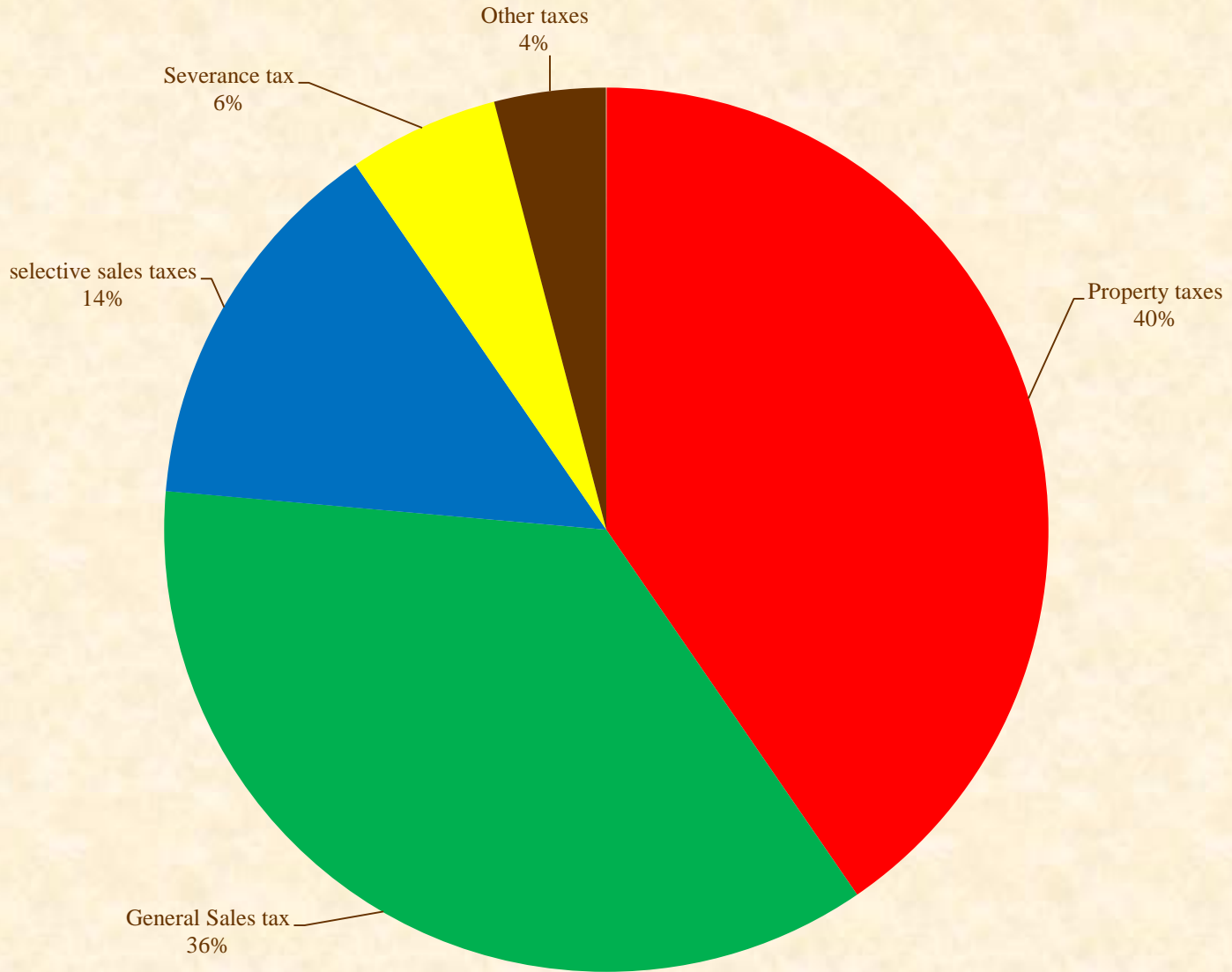
# Oklahoma - FY 2014 state and local government tax revenues



# Major Components of Texas Tax Structure

- **Property Taxes - 40% of FY14 total**
  - property tax assessed on mineral reserves
  - Calendar year 2015 effective tax rate on owner-occupied housing value 1.63% (#7)
- **General Sales Taxes - 36% of FY14 total**
  - State tax rate 6.25% (#13), avg. local rate 1.94% = 8.19% combined rate (#12)
  - Franchise tax (considered a gross receipts tax) – Tax rate 0.331% - 0.75%
- **Selective Sales Taxes - 14% of FY14 total**
  - Fuel tax - \$0.20/gallon (#43)
  - Cigarette tax - \$1.41/pack (#26)
  - Alcohol - Beer \$0.20/gallon (#28), Wine \$0.20/gallon (#44), Spirits \$2.40/gallon (#46)
  - Insurance premium tax (\$1.89 billion in FY14)
- **No Individual Income Taxes**
- **No Corporate Income Taxes**
- **Severance Taxes - 6% of FY14 total**
  - 4.6% of value on oil (with enhanced oil recovery exemption), 7.5% of value on gas
  - No severance tax on coal
- **Other Taxes - 4% of FY14 total**
  - License taxes including motor vehicle, corporate franchise and other license taxes

# Texas - FY 2014 state and local government tax revenues



# Observations from tax structure comparison

Property taxes, general sales taxes and income taxes are major contributors in most compared states

- Property taxes in all 12 states - average 30% of total
  - 6 of 12 states assess ad valorem tax on mineral production or reserves
- General sales taxes in all 11 of 12 states - average 27% of total in 11 states
  - Montana replaces general sales taxes with severance taxes and higher ad valorem taxes
- Income taxes in 9 of 12 states – average 23% of total in 9 states
  - Wyoming replaces income taxes with severance taxes
  - South Dakota and Texas replace income taxes with higher sales taxes and ad valorem taxes

Severance taxes are in every state, but their contribution varies

- Severance taxes contribute less than 10% of total taxes in 8 of 12 states
- Severance taxes contribute significantly in states with considerable mineral production and low populations
  - Wyoming (#50) 25%, Alaska (# 48) 44%, North Dakota (#47) 46%



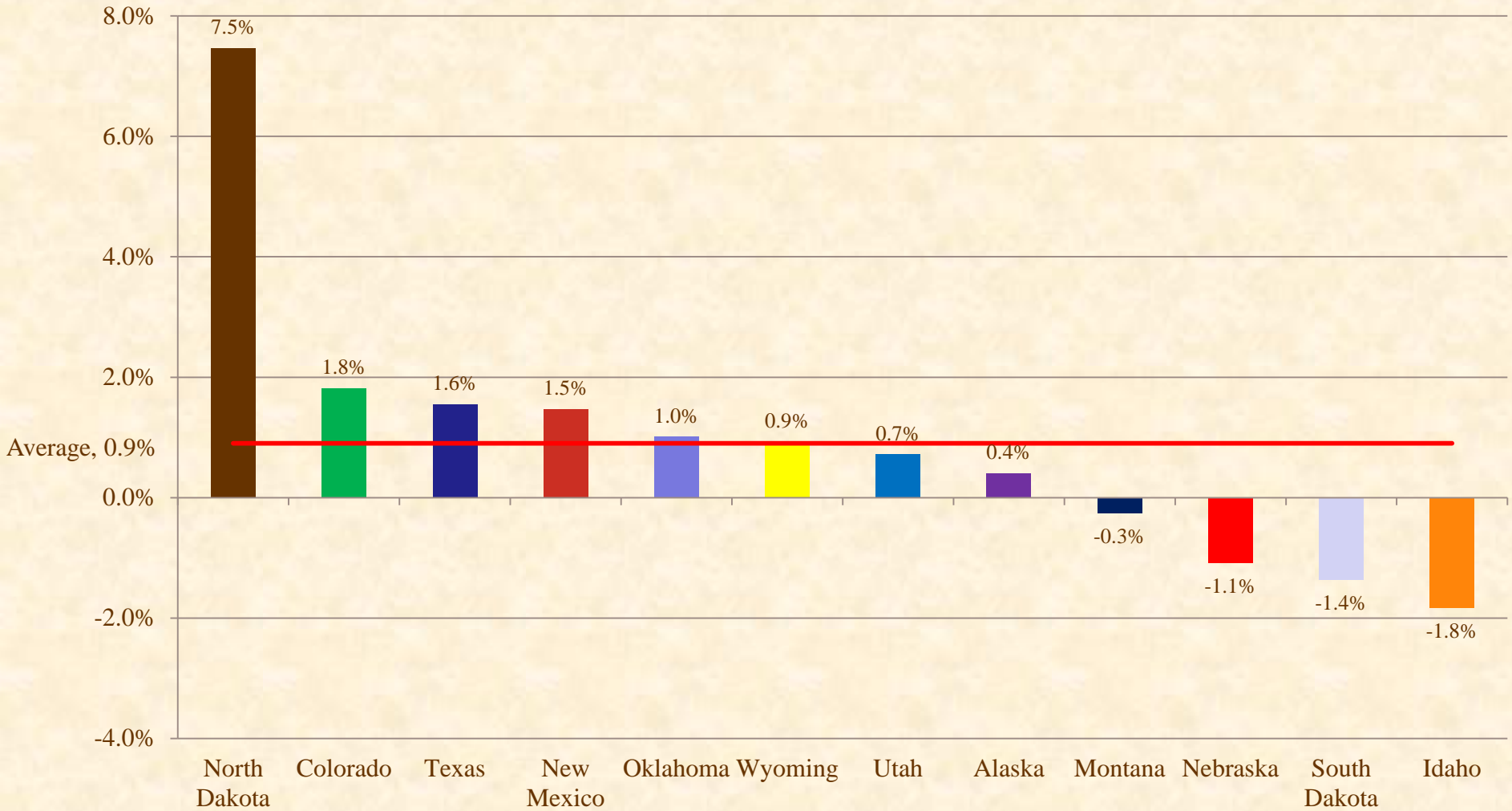
# Rate of Annual Average Employment Growth for Industry Supersectors 1990-2016

- Based upon Bureau of Labor and Statistics, Current Employment Statistics (CES) time series
- For Wyoming and 11 states in comparison
- 8 SuperSectors
  - Mining and Logging
  - Construction
  - Manufacturing
  - Trade, Transportation, and Utilities
  - Information
  - Professional and Business Services
  - Leisure and Hospitality
  - Government

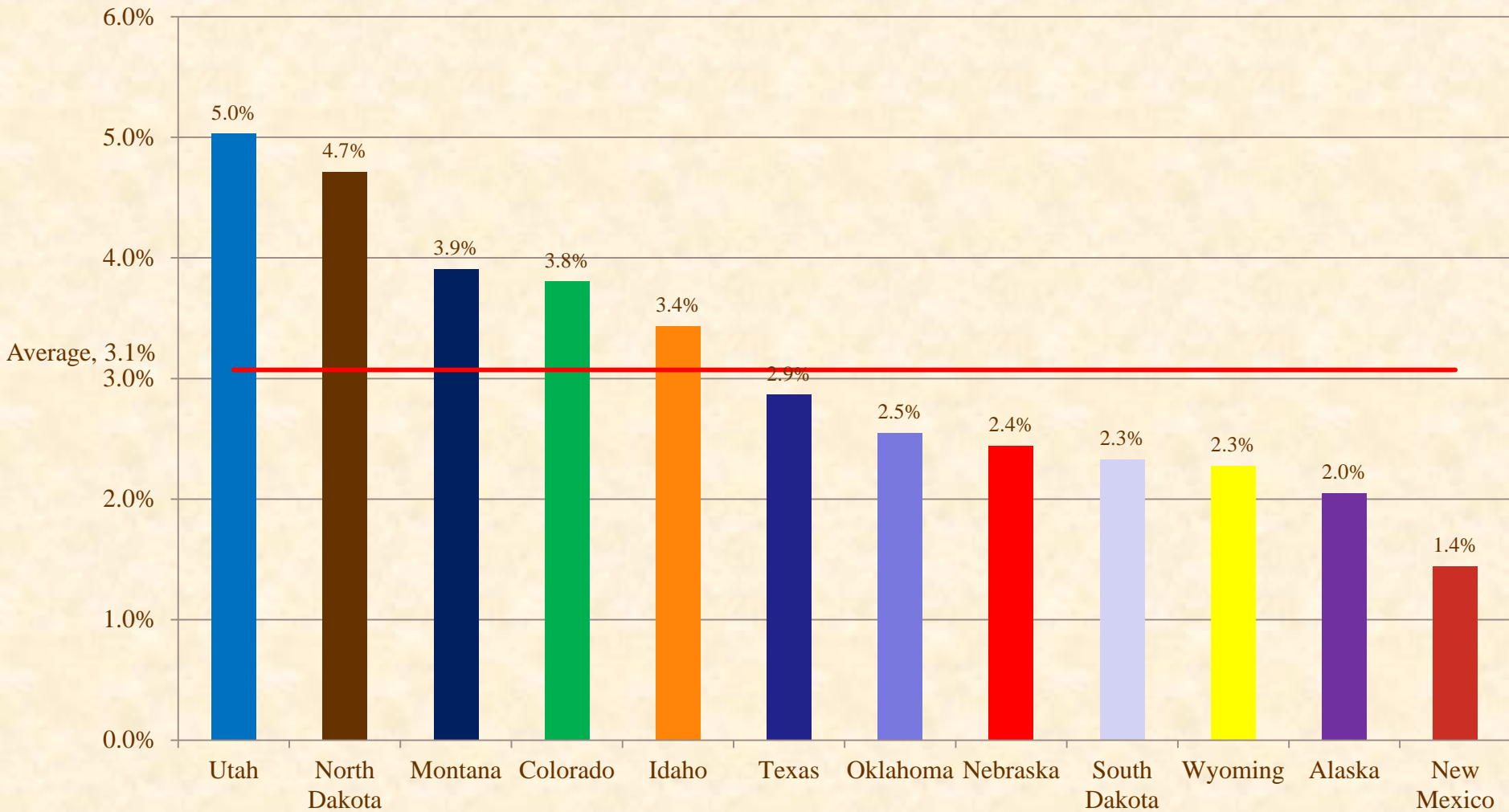
## Rate of Annual, Average Employment Growth for Industry Supersectors, 1990-2016

State (ranked by annual average employment growth)	Mining and Logging	Construction	Manufacturing	Trade, Transportation, and Utilities	Information	Professional and Business Services	Leisure and Hospitality	Government	TOTAL, nonfarm
<b>Utah</b>	0.7%	5.0%	0.8%	2.2%	3.9%	4.0%	3.1%	1.8%	2.7%
<b>Idaho</b>	-1.8%	3.4%	0.9%	1.9%	0.7%	3.9%	2.7%	1.6%	2.3%
<b>Colorado</b>	1.8%	3.8%	-0.6%	1.6%	1.5%	3.3%	2.6%	1.7%	2.1%
<b>Texas</b>	1.6%	2.9%	-0.4%	1.7%	0.6%	3.7%	3.0%	1.6%	2.0%
<b>North Dakota</b>	7.5%	4.7%	1.8%	1.6%	0.5%	4.3%	1.9%	0.8%	1.9%
<b>Montana</b>	-0.3%	3.9%	0.1%	1.2%	0.0%	3.8%	2.4%	1.0%	1.8%
<b>South Dakota</b>	-1.4%	2.3%	1.0%	1.2%	0.2%	4.2%	1.8%	0.9%	1.6%
<b>New Mexico</b>	1.5%	1.4%	-1.2%	0.7%	0.8%	2.3%	1.8%	1.0%	1.4%
<b>Wyoming</b>	0.9%	2.3%	0.1%	1.0%	0.0%	2.8%	1.6%	1.0%	1.4%
<b>Alaska</b>	0.4%	2.0%	-0.1%	1.2%	0.6%	1.4%	2.1%	0.5%	1.3%
<b>Nebraska</b>	-1.1%	2.4%	0.0%	0.8%	-0.6%	2.6%	1.6%	0.7%	1.3%
<b>Oklahoma</b>	1.0%	2.5%	-0.6%	0.9%	-0.1%	2.4%	2.1%	1.0%	1.2%
<b>Average</b>	<b>0.9%</b>	<b>3.1%</b>	<b>0.1%</b>	<b>1.3%</b>	<b>0.7%</b>	<b>3.2%</b>	<b>2.2%</b>	<b>1.1%</b>	<b>1.7%</b>

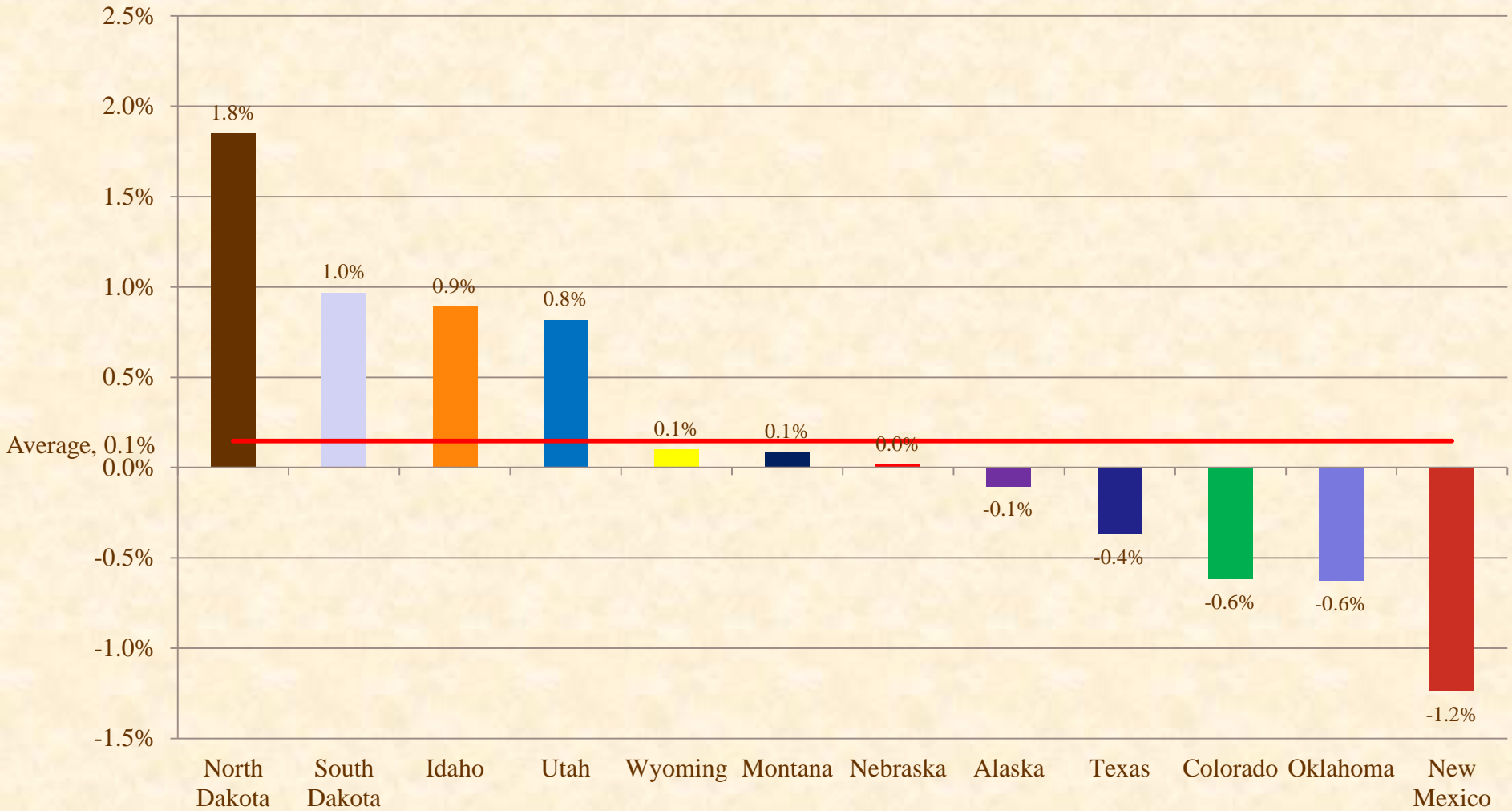
# Mining and Logging Sector (including Oil and Gas) - Annual Average Percentage Change in Employment 1990 - 2016



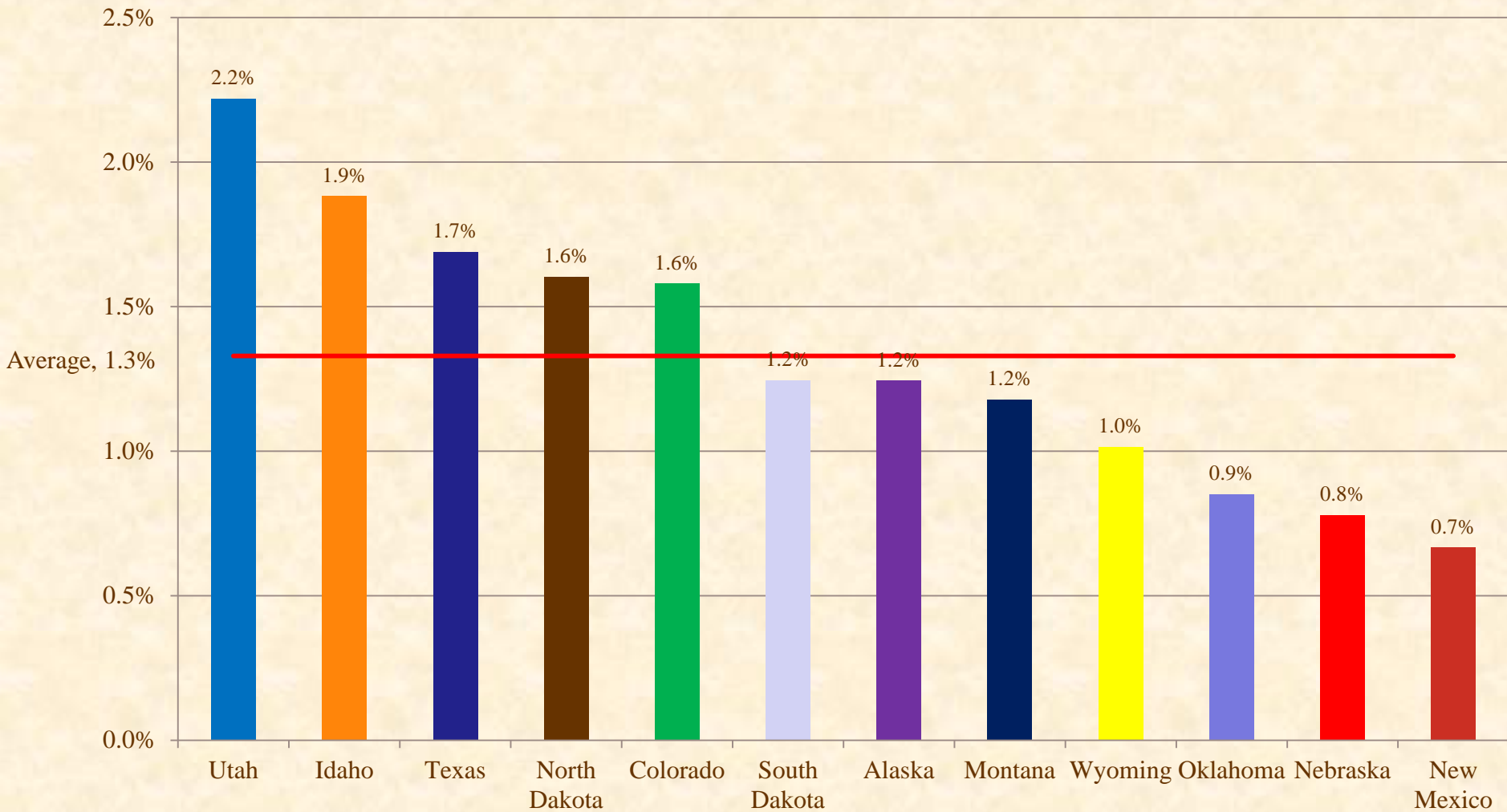
# Construction - Annual Average Percentage Change in Employment 1990 - 2016



# Manufacturing - Annual Average Percentage Change in Employment 1990 - 2016

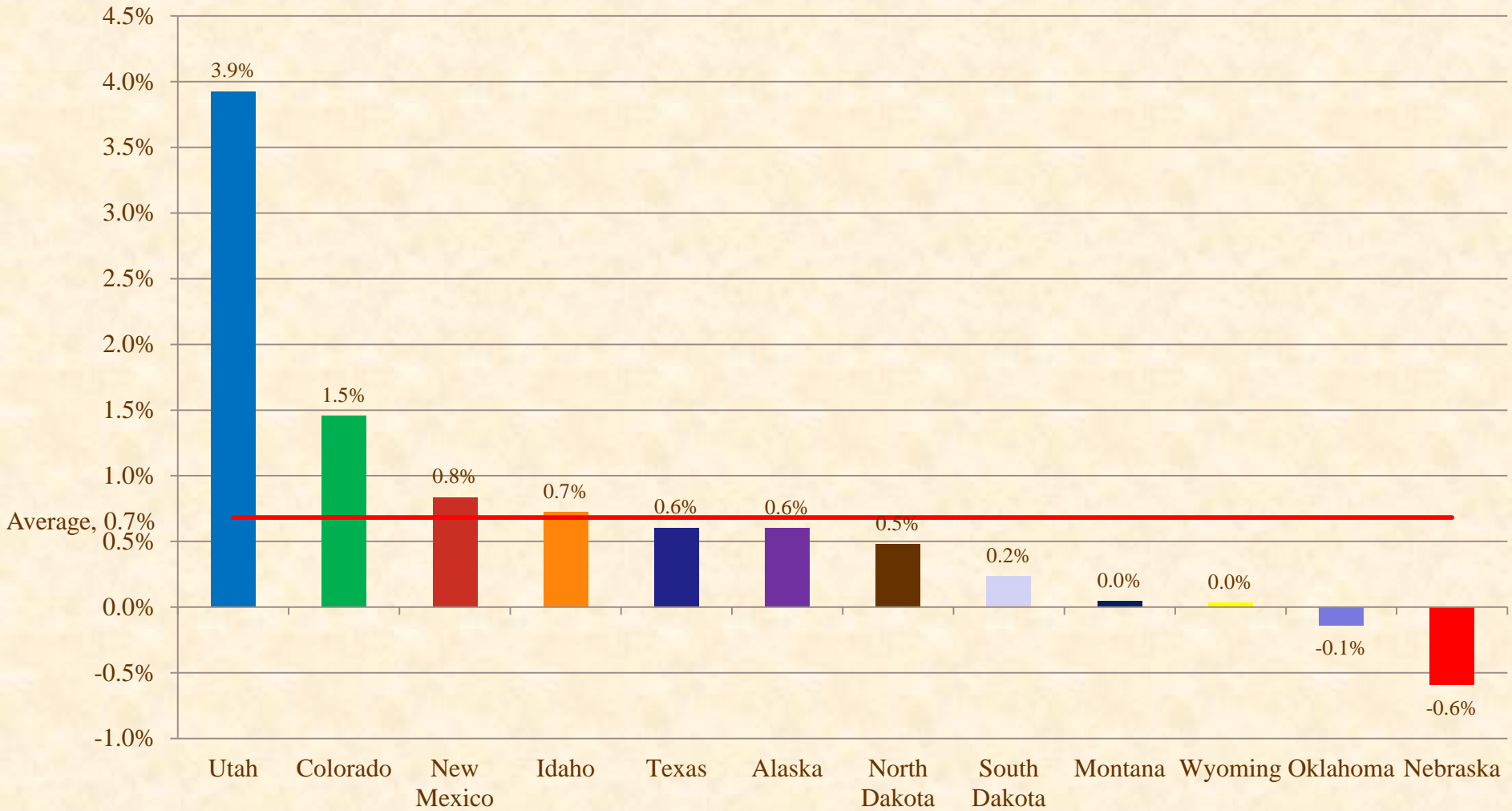


# Trade, Transportation and Utilities - Annual Average Percentage Change in Employment 1990 - 2016

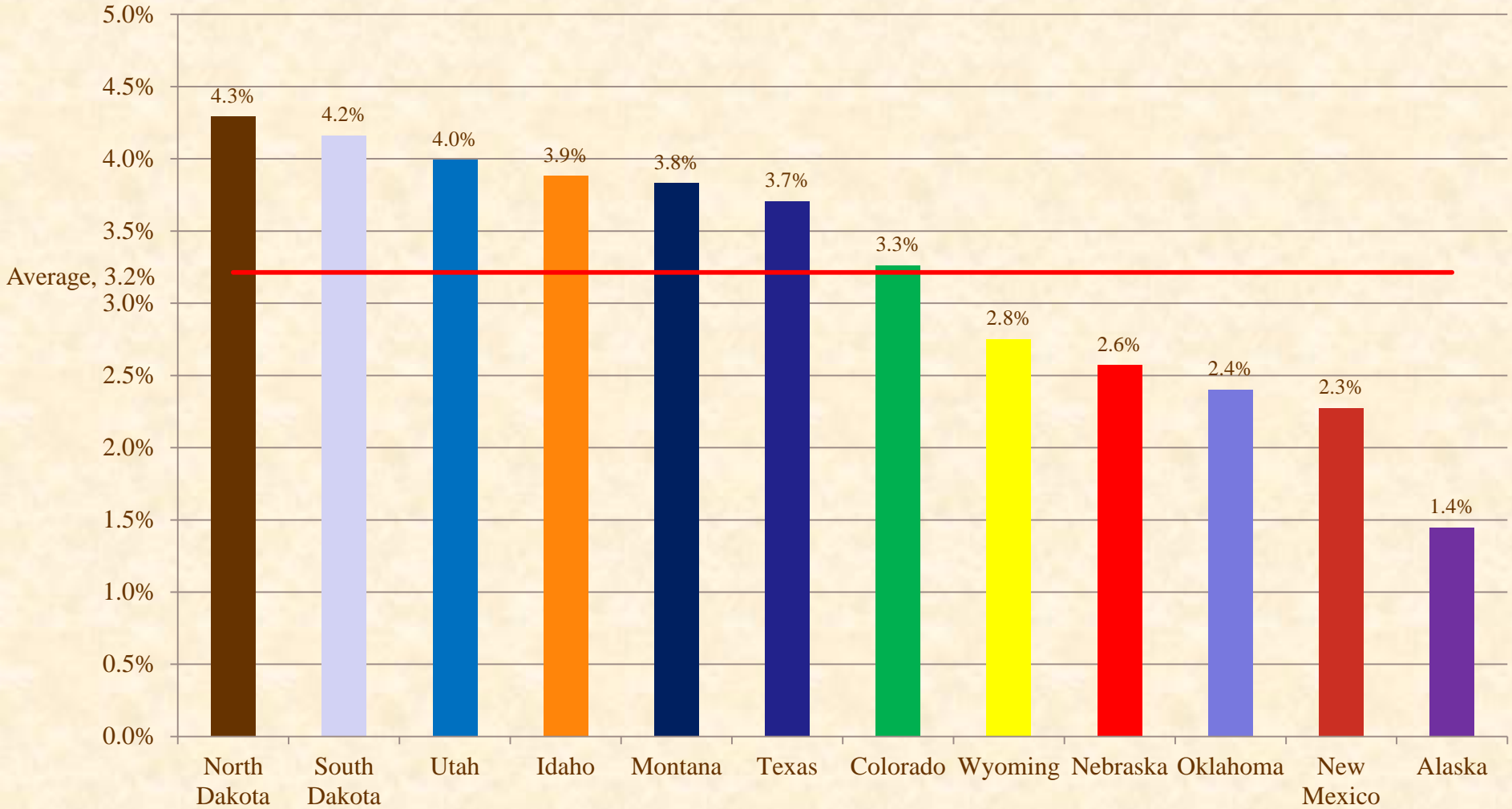




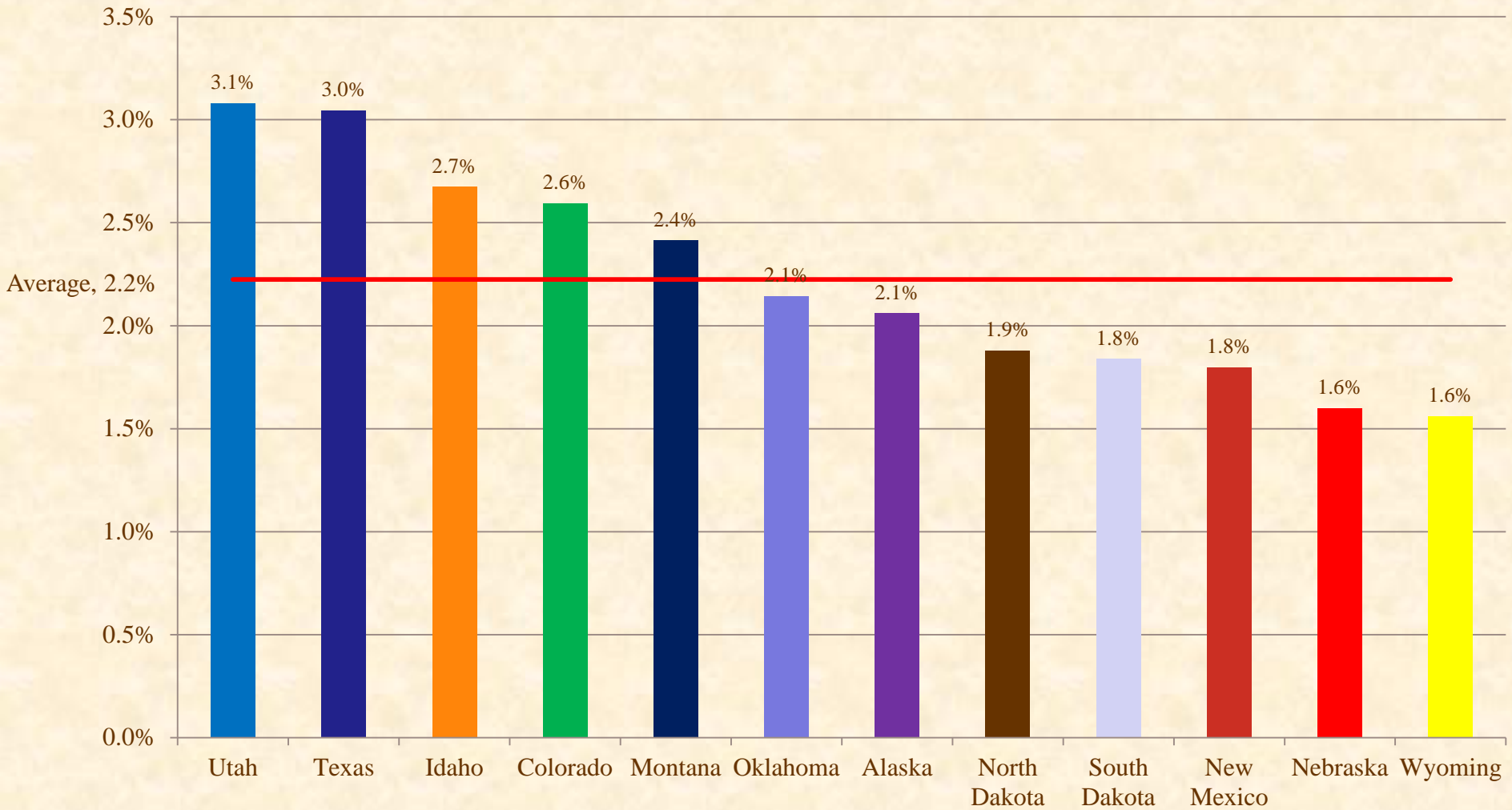
# Information (including Financial Services) - Annual Average Percentage Change in Employment 1990 - 2016



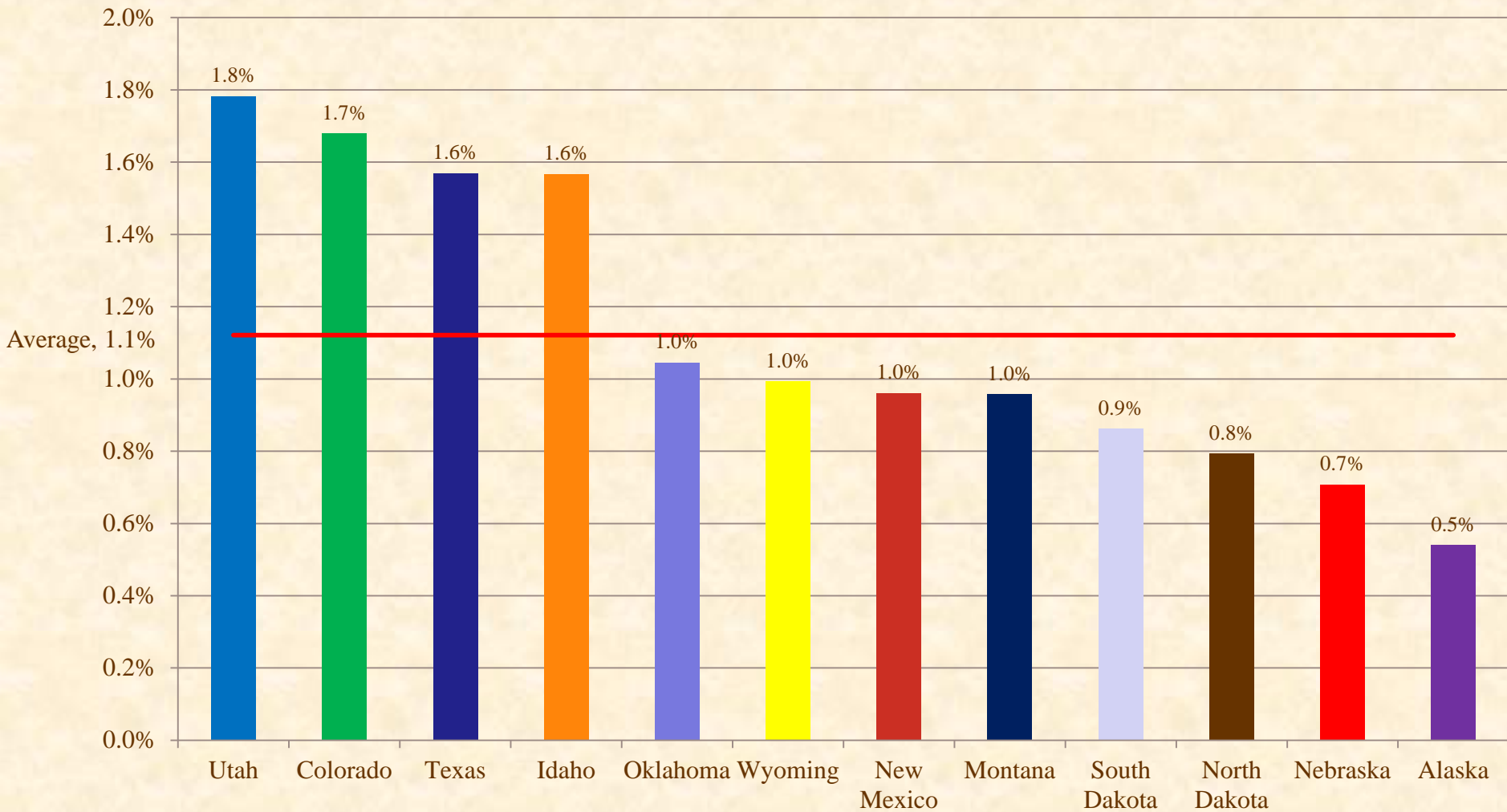
# Professional and Business Services - Annual Average Change in Employment 1990 - 2016



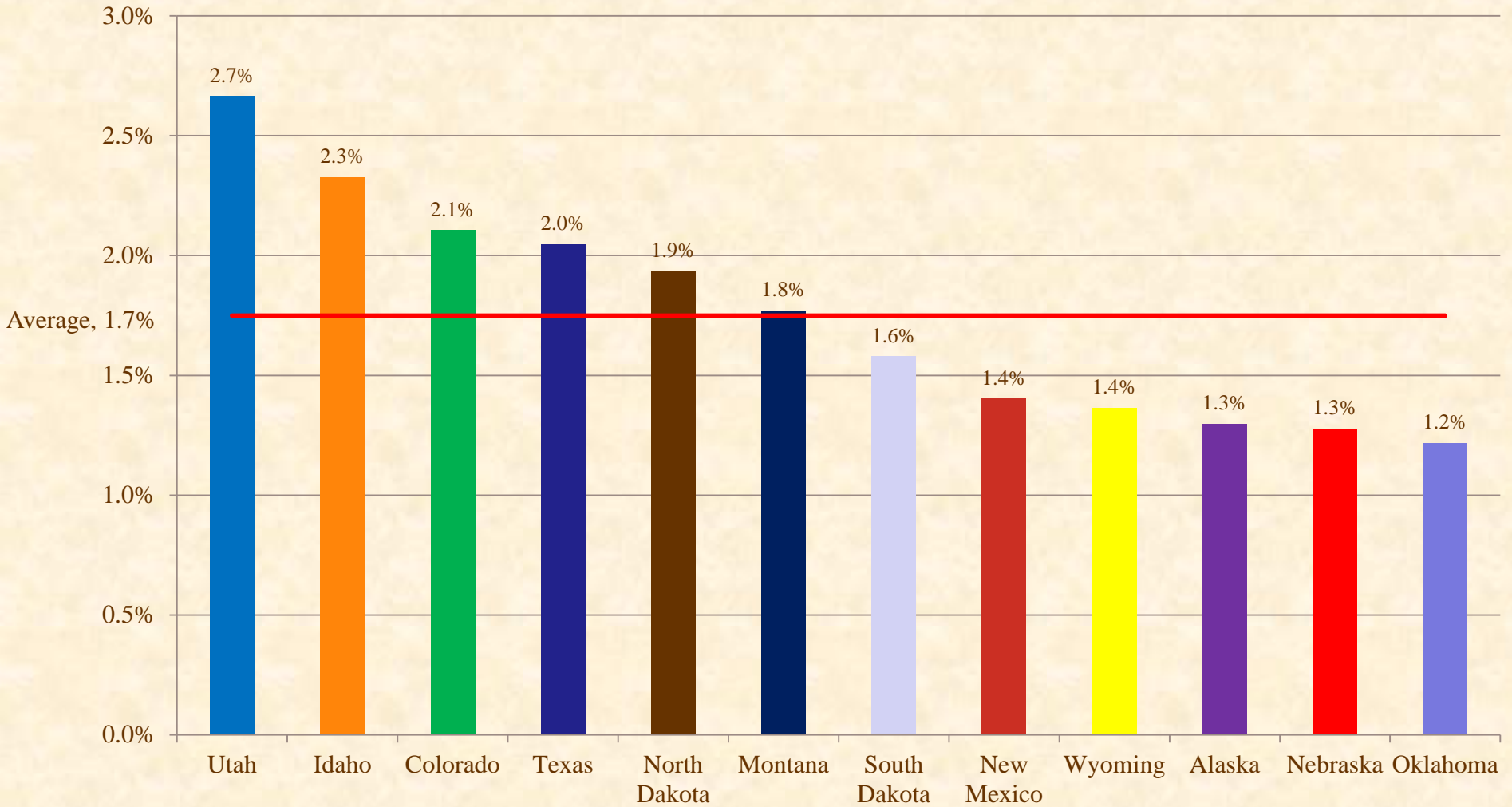
# Leisure and Hospitality - Annual Average Percentage Change in Employment 1990 - 2016



# Government Services - Annual Average Percentage Change in Employment 1990 - 2016



# Total, all non-Farm, Business Sectors - Annual Average Percentage Change in Employment 1990 - 2016



# Observations from employment growth comparison

Wyoming's employment growth is at or below the 12-state average in all industry supersectors and total nonfarm employment growth.

- Wyoming has experienced its highest annual percentage growth in the Professional and Business Services sector (2.8%). 12-state average is 3.2%.
- Wyoming has experienced its lowest annual percentage growth in the Information sector (0.0%). 12-state average is 0.7%
- Wyoming has experienced 0.9% annual percentage growth in the Mining and Logging Sector. 12-state average is 0.9%.
- Wyoming has experienced an annual percentage growth in the Government Services Sector of 1.0%. 12-state average is 1.1%.

Wyoming's total annual employment growth is 1.4%.

- Utah had the highest total annual employment growth of 2.7%.
- Oklahoma had the lowest total annual employment growth of 1.2%.
- Nebraska had the lowest total annual employment growth in Wyoming's surrounding states of 1.3%.