

WYOMING TAXPAYERS ASSOCIATION

ACTION ALERT



Legislative Summary – Week Four – Friday, February 4, 2011

Week four of the Legislative Session officially marks the half way point, or 'crossover' where bills from one house start making their way over to the other house, and Feb. 4th as the last day for bills to be heard in committee in the original house. Monday is the last day for bills to get off general file in the original house so between the two deadlines, we'll have a good idea of what we're looking at for final consideration. The budget bill is now available on the LSO website – please note that both houses will start working the budget the week of February 14th. Please see WTA's bill tracking sheet for a more detailed account of where bills stand.

BILLS OF INTEREST THIS WEEK

HB 143 – MANUFACTURING TAX EXEMPTION – This bill extends the existing sales and use tax exemption on manufacturing equipment for another 5 years, until December 31, 2016. There is no additional non-administrative fiscal impact outside of the existing exemption. In tracking the current sales and use tax exemption on manufacturing equipment, the Department of Revenue has seen wild fluctuations in the use of the exemption. The average revenue decrease, based on the statewide average over the last six reporting years, is \$10,303,000 annually in taxes foregone from the exemption. The bill passed House Revenue by a vote of 6-2 on 1/21. Representative Madden moved an amendment that would focus the bill to only apply to expanding capacity or new product lines, however the amendment failed. The bill passed the House on January 26, 2011, by a vote of 57-1-2, and was amended to extend the exemption for another 6 years, so the exemption will sunset during a General Session year instead of a Budget Session. **The bill passed Senate Revenue by a vote of 4-1 on 2/3.**

HB 147 – EXCISE TAX – VENDOR COMPENSATION – Provides a credit to vendors for the collection and payment of sales and use tax. If the tax due is less than fifty thousand dollars (\$50,000.00), the credit is equal to one and ninety-five hundredths percent (1.95%) of the amount of tax due. If the tax due is fifty thousand dollars (\$50,000.00) or more, the credit is equal to one percent (1%) of the tax due, provided that the total credit shall not exceed \$2,500.00 in any month. **The bill was amended in House Revenue to clarify that direct payors are also included in the bill. The fiscal note was written with them in mind, so the amendment didn't change the fiscal note. The cap was also amended to \$1,500 from \$2,500. Passed House Revenue on 1/28 by a vote of 7-1. The bill passed the House with a vote of 54-6 on 2-3. WTA supports this bill.**

HB 175 – PROPERTY TAX – ASSESSED VALUE – This bill creates a property tax exemption for all properties in the 9.5% category of any amount of the property tax levied as a result of the assessed valuation exceeding the average of the assessed valuation for that same property for the current year and the immediately preceding two years. There is an appropriation of \$7.5M to reimburse local governments for the decrease in property tax revenues; however the impacts are really unknown. The appropriation does nothing to replace property taxes that flow to the School Foundation Program. The bill is similar to HB 234 from 2009 that exempted any assessed valuation that exceeded the average assessed valuation in the same manner. **DEAD. The bill failed in House Revenue Committee by a vote of 2-7 on 2-2. WTA opposes this bill.**

HB 185 – FUEL TAX LUST FUNDING – Increases the 1 cent that is imposed on gasoline and diesel fuel for the LUST account, which goes to the Corrective Action Account and Financial Responsibility Account. This would bring the total fuel tax to a total of \$.15/gallon. Would apply to all users of fuel. **DEAD. This bill failed to get a second in House Revenue on 2-2.**

HB 191 – WIND POWER TAXATION – The bill exempts wind projects from sales and use tax and replaces it with a generation tax that is phased in. The tax will only apply to wind generation facilities which begin commercial operation on or after Jan. 1, 2012. For projects in operation prior to Jan. 1, 2012, the tax will be phased in as follows: \$.25 for generation in 2012-2016; \$.50 for generation in 2017-2021; \$.75 for generation in 2022-2026; \$1.00 for generation occurring in 2027-2031; and \$3.00 for generation in 2032. 60% of the revenues will go to cities and

WYOMING'S LEADING TAX POLICY AND RESEARCH ORGANIZATION SINCE 1937.

counties and 40% to the general fund. The bill also establishes an Impact Assistance Fund for local governments. Passed House Revenue committee 5-3 with 1 excused on 2/3. **Passed general file on 2/4.** Was amended to allow for more impact assistance for counties and a more certain flow of the proceeds into an impact assistance fund.

**WTA MEMBERS, PLEASE NOTE – WTA WEEKLY LEGISLATIVE POLICY MEETINGS EVERY
MONDAY OF THE LEGISLATIVE SESSION**

WHERE: 2120 CAREY AVE., CHEYENNE, 4TH FLOOR CONFERENCE ROOM

WHEN: 2:00 PM

**WHY: TO DISCUSS TIMELY LEGISLATIVE POLICY ISSUES, SUMMARY OF BILLS, AND MAKE
RECOMMENDATIONS FOR WTA POLICY DIRECTION.**

CALL: 1-866-248-0561

PASS CODE: 6358761

ALL WTA MEMBERS ARE ENCOURAGED TO ATTEND.

2011 LEGISLATIVE SESSION - Tentative schedule
(37 day schedule – Recess on President's Day)

Day 1 Tuesday, January 11 Session convenes.

Day 12 Wednesday, January 26 Last day for Senate Files to be submitted to LSO for introduction. (noon)

Day 15 Monday, January 31 Last day for House Bills to be submitted to LSO for introduction. (noon)

Day 19 Friday, February 4 Last day for bills to be reported out of Committee in house of origin.

Day 20 Monday, February 7 Last day for Committee of the Whole in house of origin.

Day 21 Tuesday, February 8 Last day for Second Reading in house of origin.

Day 22 Wednesday, February 9 Last day for Third Reading on Bills in house of origin.

Monday, February 21 President's Day Recess

Day 32 Thursday, February 24 Last day for bills to be reported out of Committee in second house.

Day 33 Friday, February 25 Last day for Committee of the Whole on bills in the second house.

Day 34 Monday, February 28 Last day for Second Reading on bills in the second house.

Day 35 Tuesday, March 1 Last day for Third Reading on bills in the second house.

Day 36 Wednesday, March 2 Concurrence on Amendments/Joint Conference Committee Reports.

Day 37 Thursday, March 3 Joint Conference Committee Reports; All JCC Reports due to Front Desk by 2:00 p.m.

ADJOURN by Midnight.

Friday, Monday, and Tuesday - March 4, 7 and 8 are available if necessary.