

# Wyoming Taxpayers Association Exemption Considerations

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Wyoming Taxpayers Association (WTA) believes sound tax policy is framed by a tax structure that is justified, equitable, stable and transparent. Existing exemptions have been adopted for specific purposes. Some tax exemptions act as an incentive to drive economic development. Some tax exemptions exist out of necessity for an efficient tax system. Exemptions have a role in creating a sound tax structure.

***WTA believes sound tax policies are the foundation from which economic development and prosperity can grow.***

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## **Considerations for reviewing new and existing exemptions:**

- *Is the exemption **JUSTIFIED**? Will the exemption provide opportunity to diversify the economy and eventually expand the tax base? Does the exemption have sunset or clawback provisions?*
- *Is the exemption **EQUITABLE**? Does the exemption disadvantage one taxpayer over another? Does the exemption create pressure on other taxes?*
- *Is the exemption **STABLE**? Do the benefits of the exemption outweigh or offset a sustained loss of tax revenue created by the exemption?*
- *Is the exemption **TRANSPARENT**, accountable and auditable? How will benefits and effects of the exemption be measured? What reporting is required and who is accountable?*

***WTA recognizes the tool that exemptions can play in building a sound, viable economy for Wyoming. We also recognize that too much of a good thing erodes the existing tax base thereby creating pressure to seek other revenue sources. As such, existing and proposed exemptions should be scrutinized carefully for the long-term effects on overall revenue collections.***