

WYOMING TAXPAYERS ASSOCIATION

ACTION ALERT



Legislative Summary – Week Three – Friday, January 28, 2011

Week three of the 2011 Legislative Session ended with more work complete on the budget. The Joint Appropriations Committee completed their analysis of the Governor's recs and made their own recommendations. At this point, both houses will work the budget and JAC will negotiate positions for the final bill. Of the major items discussed, the JAC reduced the Governor's recommendations for appropriations to local governments and highways from the Permanent Mineral Trust Fund Spending Policy Reserve Account of \$52M each to \$35M and \$40M respectively. Expect to see the budget bill drop next week and WTA will provide a more detailed analysis of the JAC vs. Governor recommendations.

Next week will be busy, as bills only have until Friday, February 4th to get out of committee in the house of origin.

BILLS OF INTEREST THIS WEEK

HB 146 – VEHICLE SALES AND USE TAX – Amends the time to pay sales tax on a vehicle from 50 days to 60. The effective date was amended to January 1, 2012 to allow for computer systems and forms to be updated. The bill is a companion bill to HB 145 – Vehicle registration – timing. Both bills were aligned to 60 days to make the timing of both registration and payment of taxes due the same. **Passed House Revenue by a vote of 5-3 on 1/26.**

HB 83 – VETERAN'S PROPERTY TAX EXEMPTION – This bill extends the current property and vehicle tax exemption for veterans to full time active duty military personnel (\$3,000 annually). Fiscal impact of \$1.36M assuming all 6,467 personnel take advantage of the exemption. Members of the committee were concerned that this redefines the definition of veteran and should require study. **Failed House Revenue by a vote of 1-7 on 1/26.**

HB 84 – SEVERANCE TAX DISTRIBUTIONS – Increases the severance tax distribution cap from \$155M to \$175M, changes the under-the-cap General Fund distribution percentage from 62.26% to 50% and increases the flow to local governments by 12.26%. Result would be annual increases of \$25.2M to locals, \$800,000 to the highway fund, \$3M to water funds and a decrease of \$29M to the General Fund. **Died in House Revenue Committee by a vote of 4-4 on 1/24.**

HB 104 – PROPERTY TAX SALES – HIGHEST BIDDER – Requires that real property tax sales be made to the highest bidder. **The bill failed to get a motion in House Revenue on 1/26. Dead.**

HB 117 – DATA PROCESSING SERVICE CENTERS – TAX EXEMPTIONS – Modifies the requirements for an exemption from sales and use tax on qualifying equipment including prewritten computer software, containers used to transport and house computer equipment, backup power generators, cooling equipment purchased on the initial construction. Also includes a three year exemption from power used in operating the data center. **The power exemption was deleted from the bill and was amended to allow for multiple occupants in the facility to take advantage of the exemption. The bill passed third reading in the House by a vote of 52-6-1-1 on January 23 and will now head to Senate Revenue.**

HB 128 – ETHANOL TAX CREDIT – Reduces the gasoline tax credit on producers of ethanol from \$.40 to \$.10. **DEAD. The bill failed a vote of the House Revenue Committee on 1/28 by a vote of 3-5.**

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

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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.**

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. WTA supports this bill.**

SF 44 – GOVERNMENT COMPETITION – Provides a forum for lodging concerns with and for review of competition by government entities with the private sector. **DEAD. The bill passed Senate Corporations by a vote of 3-1 on 1/16, however failed in Committee of the Whole on 1/26 by a vote of 14-16. WTA did support this bill.**

SF 52 – TEACHER TENURE – Removes continuing contract status from the Wyoming teacher employment law. The bill was amended significantly away from the original intent of the bill. Passed Senate Education and now on Senate General File.

SF 70 – EDUCATION ACCOUNTABILITY – Creates the Wyoming Accountability in Education Act, establishes a statewide education accountability system; system components and student performance measures; imposes duties upon the state board of education and the state superintendent; prescribes consequences for school level student performance; establishes a legislative select committee to review and expand system components. Appropriation of \$75,000 from the School Foundation Fund to LSO. **Senate Education recommended amend and do pass 3-2 on 1/26. Rereferred to Senate Appropriations Committee on 1/26. This bill has also been significantly amended from the original intent.**

SF 86 – AGRICULTURAL FUEL TAX EXEMPTION - Allows the qualifications for an agricultural credit to be valid for 4 years. The bill passed Senate Revenue on 1/20 by a vote of 3-2. The no votes voiced concerns that this only extends a system that is not currently functioning very well. Much of the discussion referenced HB 153 and the changes it proposes to make. **DEAD. Passed Senate Revenue Committee 3-2 on 1/21 and passed 2nd reading on 1/25. However the bill failed 3rd reading on 1/26 by a vote of 14-16 and also on reconsideration by a vote of 12-18.**

**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

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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.