

WYOMING TAXPAYERS ASSOCIATION

ACTION ALERT



Legislative Summary – Week Two – Monday, January 26, 2009

The Joint Appropriations Committee will begin to mark up the budget bill this week, after finishing up call back's all last week. The Committee will have to deal with an unprofiled \$34 M over the \$20 M that was set aside for Medicaid mandates. This is in addition to the \$990 M already spent on the matter. Stay tuned for next week's update on a budget bill mark up.

BILLS OF INTEREST THIS WEEK

HB 67 – Tobacco Excise Tax - Provides that moist snuff tobacco will be taxed based upon net weight. And for anything up to 1 oz. an excise tax at the rate of \$.60. Anticipated increase in revenue \$819,000 yearly. The bill passed House Revenue on Wednesday with a vote of 2 no votes and 7 affirmative votes. Amendments on the floor of the House for first and second reading attempted to increase the amount of the excise tax for products weighing up to 1 oz from \$.60 to \$.90 or build an inflationary factor into the bill to increase the price, but all failed. One amendment to require the Department of Revenue to report on the sales and revenue from moist snuff tobacco at least every five years passed. The inflationary concepts spurred a broader discussion as to what Wyoming's tax policy really entails. **Third reading amendments attempted to derail the bill altogether, however, the bill passed the House by a vote of 37-23 on Monday. WTA supports this bill.**

HB 101 – Excise tax – manufacturing exemption - Provides for agents of persons engaged in manufacturing to claim an excise tax exemption. No fiscal impact. Passed House Revenue and is moving through the House. The bill was amended in committee to be enacted as soon as possible. **The bill passed the House on third reading on Monday by a vote of 45-15. WTA supports this bill.**

HB 102 – Excise Tax – Vendor Compensation - Provides a credit to vendors for the collection and payment of sales and use taxes. 1% credit, not to exceed \$10,000 per calendar year. Approximate \$6.9 M impact to GF and locals. This bill is identical to Arizona's vendor allowance program. The revenue committee explored different ways to give more relief to vendors, while keeping the bill revenue neutral, however all attempts yielded increased loss to the state and local government. **The bill was amended to drop the cap to \$1,000 and have any credit to vendors come out of the general fund. Passed the House Wednesday by a vote of 35-22. WTA supports this bill.**

SF 53 – Property tax deferral program – Senator Jennings - Amends the property tax deferral program to 250% of the federal poverty level instead of 150% and imposes a requirement that an applicant be a resident of at least 8 years. **The bill passed the Senate Friday by a vote of 29-0. WTA supports this bill.**

HB 221 – Property tax appeals – 2 – Throne bill. Provides that the taxpayer may present any credible evidence, to rebut the presumption in favor of a valuation asserted by DOR. **Passed House Revenue Wednesday.**

HB 138 – Property Tax Refund Program – Madden, Anderson, Landon, Teeters, and Schiffer - Amends the Property Tax Refund Program so that property taxes must be paid timely, changes the income requirement from 2/3 the median gross household income to 3/4, extends the total household assets from \$50,000 to \$100,000 per adult member, Includes all IRA's as exempt, adds medical savings accounts and allows veterans to apply for both programs by repealing the double dipping provision.. Fiscal note estimates that an increase of 10% per year or 1,850 applicants. Should yield \$72,000 in 2010, \$79,000 in 2011, and \$87,000 in 2012 in increased property tax refunds. **Passed House Committee of the Whole on Friday. WTA supports this bill.**

HB 66 – Statements of Consideration - Provides that a statement of consideration for residential property is a public document. **The bill died in House Revenue Wednesday by a vote of 5-4.**

HB 68 – Property Tax – Homestead Exemption – Joint Revenue Committee - Homestead property tax exemption of \$4,400 of assessed value on owner-occupied primary dwellings for homeowners who currently live in Wyoming and have lived in Wyoming for at least 3 years. Appropriation of \$40.2 M. Amended in Committee to say that the person owes the lesser of \$4,400 of assessed value on the dwelling or 50% of the tax assessed. **Passed House Revenue and referred to House Appropriations. WTA supports this bill.**

HB 89 – Sales tax holiday - Creates a sales and use tax holiday on the sale or purchase of clothing (below \$100 per item), computers and computer equipment (less than \$1,500 per item), and school supplies and sports supplies (less than \$50 per item) sold or purchased during the first week of August. Total revenue decrease ranging from \$300,000 to \$800,000. **Failed to pass House Revenue Monday. WTA opposed this bill.**

HB 95 – Sales and use tax distributions - Changes the GF distribution percentage of the state 4% sales and use tax from 69% to 64%, resulting in an increase in sales and use tax distribution to cities, towns, and counties. Approximate \$37 M loss to the GF. **Passed House Revenue and is now sitting on General File.**

HB 175 – Property Tax – assessment rate – 3 – Miller and Philp - Mirror to SF 55. For January 1, 2010, through December 31, 2011, changes the ratio for industrial property from 11.5% to 11% and 'all other' from 9.5% to 9%. The reduction of assessment rates will result in reduction of property tax revenues to local governments and the School Foundation Program to the amount of \$5.3 M. There is an appropriation of \$50 M to keep locals whole. **Failed to pass House Revenue by a vote of 6-3. WTA opposed this bill.**

HB 189 – Property Tax – Assessed Valuation – Shepperson, Dockstader - Limits the amount property tax assessments may increase to 102% of the assessed valuation from the previous year. The property comes up to FMV when the property is sold. Essentially a "Prop 13" concept. Anticipated revenue decreases of more than \$18 M for FY 2010, \$30 M for FY 2011, and \$40 M+ for FY 2012. **WTA opposed this bill and testified against it, as well as all of the other assessment ratio bills. The bill failed to pass House Revenue on Friday by a vote of 7-2.**

HB 214 – Property Tax Assessment Rate – 3 – Shepperson, Berchtel, Bebout, and Scott - Drops the 11.5% category to 10.5% and 'all other' from 9.5% to 7.5%. Loss to locals is \$83 M in 2011 and \$87 M in 2012. Loss to the SFP is \$18 M in 2011 and \$19 M in 2012. **Failed to pass House Revenue Friday by a vote of 7-2. WTA opposed this bill.**

HB 87 – Property Tax – Assessment Rate 2 – Simpson, Buchanan, Gingery, Miller, Bebout, Coe and Larson - Reduces the assessment rate for the all other property category from 9.5% to 8.25%. Appropriation of \$44 M from GF for 2010 only. Locals will be held harmless with the \$44 M. The SFP will suffer an estimated loss of approximately \$9.6 M in 2010 and \$10 M in 2011, however, the 12 mills for payment to the SFP will not be held harmless. **The bill failed to pass House Revenue Friday by a vote of 6-3. It may be brought back to House Revenue this week, however. WTA opposed this bill as well.**

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.

ALL WTA MEMBERS ARE ENCOURAGED TO ATTEND.

2009 LEGISLATIVE SESSION - Tentative schedule
(37 day schedule – Recess on President's Day)

Day 1 Tuesday, January 13

Session convenes.

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

Day 12 Wednesday, January 28	Last day for Senate Files to be submitted to LSO for introduction. (noon)
Day 15 Monday, February 2	Last day for House Bills to be submitted to LSO for introduction. (noon)
Day 19 Friday, February 6	Last day for bills to be reported out of Committee in house of origin.
Day 20 Monday, February 9	Last day for Committee of the Whole in house of origin.
Day 21 Tuesday, February 10	Last day for Second Reading in house of origin.
Day 22 Wednesday, February 11	Last day for Third Reading on Bills in house of origin.
Monday, February 16	President's Day Recess
Day 32 Thursday, February 26	Last day for bills to be reported out of Committee in second house.
Day 33 Friday, February 27	Last day for Committee of the Whole on bills in the second house.
Day 34 Monday, March 2	Last day for Second Reading on bills in the second house.
Day 35 Tuesday, March 3	Last day for Third Reading on bills in the second house.
Day 36 Wednesday, March 4	Concurrence on Amendments/Joint Conference Committee Reports.
Day 37 Thursday, March 5	Joint Conference Committee Reports; All JCC Reports due to Front Desk by 2:00 p.m. <u>ADJOURN</u> by Midnight.
Friday, Monday, and Tuesday - March 6, 9 and 10 are available if necessary.	