

TAX REFORM 2000: FINDINGS AND RECOMMENDATIONS

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- **Tax collections in Wyoming are less stable than other states. Future revenue streams may not be adequate to fund the services provided by state and local governments. The feasibility of new sources of revenue in the state should be examined and analyzed.**
- The Committee heard testimony from many residents who were concerned about state and local government spending. The Governor and the Legislature should form a separate **committee to examine state and local government spending**.
- **The beneficiaries** of the taxes paid are Wyoming residents and non-residents using the facilities in the state, however they **are not the primary payers** of these taxes. Wyoming has both a larger public infrastructure and larger public services per capita than it would if Wyoming residents had to pay for them entirely.
- Wyoming's current **tax structure** may contribute to the lack of **economic growth** in the state.
- Not enough of the **mineral taxes** are being **diverted** to trust funds in order to secure public services funding **for future generations**. Funds currently in permanent trust funds are not managed to maximize income. Permanent funds should be managed to maximize income.
- The reporting and collection of mineral taxes in the state are confusing and time consuming. A separate committee should be formed to arrive at a solution to **combine Wyoming's current mineral taxes** with one reporting and collection point.
- Wyoming's **sales tax exhibits regressivity**. The Legislature should examine the exclusions and exemptions in the state's sale tax statutes for possibilities of broadening this tax, including the impacts of repealing the sales tax exemption for charitable and non-profit entities.
- There should be stricter compliance with and enforcement of the current **use tax statutes**. The use tax statutes are difficult to enforce.
- **Market values of real estate** have risen significantly in some areas of the state causing a property tax burden for individuals on fixed and low incomes. There could be more consistency in assessment values between counties for similar properties with comparable market and production values. Property tax exemptions should be examined for applicability and ease of administration. In certain areas of the state, the market value of agriculture land far exceeds the production value of the land on which property taxes are assessed.
- The Legislature should implement a **real estate transfer tax**.
- **Local governments** are not funded equally in Wyoming. Financial reporting by local governments is not consistent.
- Wyoming's **excise tax rates on cigarettes, alcoholic beverages, and motor fuels** are the lowest of surrounding states. These excise taxes should be examined for possible increases.
- **Tax administrative authority** is not clearly defined. Assessment practices of county assessors vary from county to county. The distinction between tangible and real property is not always clear in the sales tax law.
- Wyoming should consider imposition of an **income tax**.