

Revenue

Historically, Wyoming owns a distinctly different mix of revenue sources than other states on average. Wyoming relies more heavily on federal revenue, for example. Over \$2 billion – including about \$1 billion in mineral royalties and lease bonus payments – made up 29 percent of FY 06 state and local revenue. Federal payments made up 20.7 percent of state and local revenue nationwide.

Taxes were the largest source of state and local government revenue, not surprisingly. Wyoming's FY 06 taxes of \$3.1 billion provided 44.5 percent of revenue, while taxes made up 54.6 percent of state and local revenue nationally.

Wyoming's reliance on taxes may be less than other states, but our reliance on interest income was almost twice that of other states. Wyoming public entities realized \$455 million in interest in FY 06, or 6.5 percent of all revenue. Average interest income was 3.3 percent of revenue for all states.

Property taxes were the single most important tax nationally, primarily imposed at the local level to fund local functions, including schools. Property taxes averaged 16.4 percent of state and local revenue across the country in FY 06. Wyoming property taxes of over \$985 million were 14 percent of total revenue. Property taxes on agricultural land, residential personal property, and commercial and industrial real and personal property were 4.5 percent of total revenue.

The major portion of Wyoming's property tax included a gross products tax levied on mineral production in lieu of a tax on the mining land itself. In FY 06, the mineral production portion of Wyoming's property tax was 9.5 percent of total state and local revenue. Wyoming also imposes a severance tax on mineral production. The \$1 billion in FY 06 severance taxes was 14.2 percent of total revenue.

Sales and use taxes were the second most important tax to state and local governments, both in Wyoming and nationally. Wyoming received 11.3 percent of government revenue - \$797 million – from sales tax compared to 12.9 percent for all states. **Five states do not levy a state sales tax and Alaska's sales taxes are locally imposed.**

Wyoming does not impose a personal income tax. Six other states do not have a personal income tax, and two others impose a very limited tax on interest and dividend income. The remaining states received over 12.3 percent of FY 06 total government revenue from this source.

Wyoming is among five states that do not have a direct corporate income tax, although business franchise and excise taxes like those in Texas and Washington double as such. Direct corporate income taxes provided 2.4 percent of state and local revenue nationally.

Other taxes on motor fuels, alcoholic beverages, cigarettes, insurance premiums, lodging and pari-mutuel events totaled 5 percent of Wyoming revenue, compared to 10.6 percent for all states on average.

Fees and charges for government services are a significant contributor to government revenue. In FY 06, Wyoming state and local governments collected over \$1 billion in such income, or 15.2 percent of total revenue. This is almost on par with the national average of 15.3 percent for this category.