

SENATE FILE NO. SF0109

Tax reform 2020.

Sponsored by: Senator(s) Rothfuss, Burns, Peterson and Von
Flatern and Representative(s) Connolly,
Madden and Miller

A BILL

for

1 AN ACT relating to taxation and revenue; creating the tax
2 reform 2020 committee as specified; requiring a report;
3 providing an appropriation; and providing for an effective
4 date.

5

6 *Be It Enacted by the Legislature of the State of Wyoming:*

7

8 **Section 1.**

9

10 (a) The Wyoming legislature finds that Wyoming's tax
11 structure is disproportionately based on mineral
12 extraction, which has historically provided approximately
13 sixty-five percent (65%) to seventy percent (70%) of state
14 tax revenues. Under the current tax structure, if the state
15 economy were to become more diversified in the future those

1 new industries may be assessed taxes in amounts
2 disproportionate to the tax burdens on other industries. In
3 order to address the state tax structure, there is created
4 the tax reform 2020 committee consisting of ten (10)
5 members as follows:

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7 (i) Five (5) members of the senate appointed by
8 the president of the senate, not more than four (4) of whom
9 shall be of the same political party. One (1) of the
10 members shall be a member of the joint revenue interim
11 committee and one (1) of the members shall be a member of
12 the joint appropriations committee;

13

14 (ii) Five (5) members of the house of
15 representatives appointed by the speaker of the house, not
16 more than four (4) of whom shall be of the same political
17 party. One (1) of the members shall be a member of the
18 joint revenue interim committee and one (1) of the members
19 shall be a member of the joint appropriations committee.

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21 (b) The committee is authorized to sponsor
22 legislation for consideration by the Wyoming legislature.
23 No legislation shall be sponsored by the committee unless

1 it is approved by a majority of the members of the
2 committee from the senate and a majority of the members of
3 the committee from the house of representatives.

4

5 (c) The mission of the committee shall be to develop
6 comprehensive legislation for a fair, viable and
7 economically competitive state and local tax structure
8 capable of generating revenues to meet the needs of the
9 state and its citizens for a diversified economy,
10 independent of the distribution of industry. In developing
11 legislation, the committee shall:

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13 (i) Examine the tax structures of neighboring
14 states as well as the tax structures of states with high
15 business growth rates;

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17 (ii) Analyze the current state and local revenue
18 system including:

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20 (A) The relative burden imposed by the
21 current tax system on taxpayers and the relative equity of
22 that burden;

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1 (B) The burden imposed by the tax system on
2 individual industries and the relative equity or uniformity
3 of that burden;

4

5 (C) The dependability of the current tax
6 system relative to the needs of the state and its citizens;

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8 (D) The relationship between taxes and the
9 revenue needs of the state and local governments;

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11 (E) The relationship between the tax burden
12 and the benefits citizens receive from government including
13 the relative tax benefits and burdens generated by new
14 positions and new citizens entering the state, including
15 differences among different industries.

16

17 (iii) Consider the impact of the state tax
18 structure on economic development and the potential impact
19 of any changes to the tax structure on existing industries
20 and future economic development in the state;

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22 (iv) Identify the path to an equitable tax
23 structure for Wyoming and a diversified economy through the

1 year 2040. The committee shall establish the proposed
2 approximate percentages of state gross domestic product
3 applicable to the energy production industry, agriculture,
4 tourism, information technology, biotechnology, the
5 financial industry, manufacturing, the service industry and
6 other economic drivers of the state and evaluate the
7 relative tax burdens applicable to each industry including
8 considerations of taxes applicable to the secondary
9 economies related to each industry;

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11 (v) Determine a method or model to test
12 different scenarios for the tax structure or structures
13 considered by the committee and use that method or model to
14 consider the stability of recommendations to revisions of
15 the tax structure;

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17 (vi) Identify incentives to attract industries
18 to Wyoming and diversify the state economy including
19 reviewing the actions of other states, considering options
20 to promote internal commerce, providing partial tax rebates
21 or credits and avoiding double taxation;

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1 (vii) Consider options for increasing autonomy
2 in the tax structures of cities, towns and counties.

3
4 (d) Nothing in this section shall be interpreted to
5 require the committee to consider solutions for the near
6 term revenue issues of Wyoming or to specify that the
7 objective of the committee is to increase or decrease
8 revenues.

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10 (e) The committee shall provide a report on the study
11 completed by the committee under subsection (c) of this
12 section to the legislature not later than December 31,
13 2019. The report shall include any proposed legislation
14 sponsored by the committee to overhaul, diversify and
15 modernize the Wyoming tax structure.

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17 (f) The committee shall be staffed by the legislative
18 service office. The department of revenue shall serve in an
19 advisory capacity to the committee and shall provide
20 technical and other relevant information as requested.

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22 (g) The committee shall exist until December 31,
23 2019.

1

2 **Section 2.** There is appropriated sixty thousand
3 dollars (\$60,000.00) from the general fund to the
4 legislative service office. This appropriation shall be for
5 the period beginning with the effective date of this act
6 and ending June 30, 2020. This appropriation shall only be
7 expended for the purpose of the tax reform 2020 committee
8 as provided in section 1 of this act. Notwithstanding any
9 other provision of law, this appropriation shall not be
10 transferred or expended for any other purpose and any
11 unexpended, unobligated funds remaining from this
12 appropriation shall revert as provided by law on June 30,
13 2020.

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15 **Section 3.** This act is effective immediately upon
16 completion of all acts necessary for a bill to become law
17 as provided by Article 4, Section 8 of the Wyoming
18 Constitution.

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20

(END)