

Wyoming

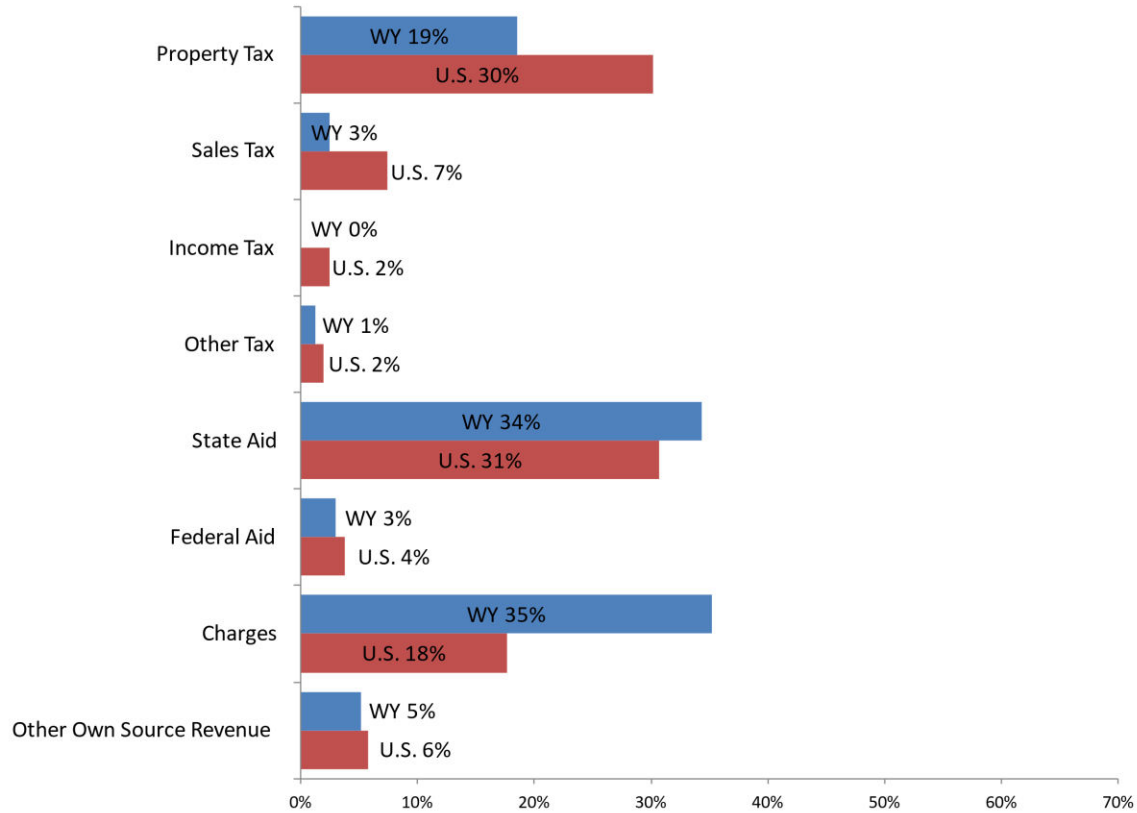
Highlights

Mineral production (predominantly natural gas, coal, and oil) dominates Wyoming's property tax base, accounting for 50 percent of the property tax base in 2020 (Wyoming Taxpayers Association 2020a). The state also levies a severance tax, which raises about 5 percent less than the mineral portion of the property tax, and which helps account for Wyoming's higher than average state aid as a proportion of local general revenue. Wyoming also relies more heavily on charges than the average state (figure WY-1) (Wyoming Taxpayers Association 2020b).

Wyoming's classified property tax system assesses mineral production at 100 percent of market value, more than 10 times the 9.5 percent at which counties assess residential and most other property values. Industrial property is assessed at 11.5 percent of market value (Wyoming Taxpayers Association 2020b, 22).

In 2018, Wyoming spent \$16,224 per pupil for K-12 public education, more than the per pupil expenditure of 40 other states (U.S. Department of Education 2018). Sixty-nine percent of Wyoming's property tax revenue supports public schools (Wyoming Taxpayers Association 2020a).

Figure WY-1
Sources of Local General Revenue, Wyoming and U.S., 2019



Source: U.S. Census via Significant Features of the Property Tax

Property Tax Reliance

Although Wyoming ranks in the top quarter of states for property tax per capita, the state’s effective tax rate on a median value owner-occupied home ranks among the 10 lowest states, as residential real estate accounts for only 26 percent of the tax base (Wyoming Taxpayers Association 2020a) (table WY-1).

Table WY-1
Selected Wyoming Property Tax Statistics, 2019¹

	Wyoming	U.S. Average	Rank (of 51) <i>1 is highest</i>
Per capita property tax	\$2,062	\$1,758	13
Property tax percentage of personal income	3.3%	3.1%	16
Total property tax as percentage of state-local revenue	13.6%	16.6%	33
Median owner-occupied home value ²	\$220,500	\$217,500	23
Median real estate taxes paid for owner-occupied home ²	\$1,337	\$2,471	41
Effective tax rate, median owner-occupied home ³	0.6%	1.1%	42

Sources: [U.S. Census via Significant Features of the Property Tax](#), American Community Survey

¹ All revenue numbers in this table include the state government as well as local governments.

² The statistics for [median owner-occupied home value](#) and [median real estate taxes paid for owner-occupied home](#) are five-year average statistics for years 2015-2019.

³ Calculated as the median real estate tax paid on owner-occupied homes as a percent of the median owner-occupied home value.

Administration and Assessment

Property taxes are levied by the state, counties, cities and towns, and special districts.

County assessors in the state's 23 counties assess residential, commercial, industrial, and agricultural real and personal property and the state Department of Revenue assesses mineral production; pipeline companies, telecommunications, and other utilities; and airline, railroad, and rail car companies (Wyoming Property Tax Division). Assessors update values annually, with physical reinspection at least every six years.

Wyoming applies different assessment ratios to three classes of property: 100 percent of market value for minerals and mine products; 11.5 percent of value for industrial property; and 9.5 percent of value for all other property, including residential (table WY-2).

The state taxes tangible personal property of business, except inventories.

Limits on Property Taxation

Wyoming's property tax rate cap limits state, county, city, and school property tax rates. The cap ranges from 4 mills for state general fund property taxes to 25 mills for local school property taxes.

Property Tax Relief and Incentives

Wyoming's Property Tax Refund Program for Low Income Homeowners provides property tax credits to homeowners who have lived in the state for at least five years, whose incomes do not exceed three quarters of the median gross household income in their county of residence (\$46,778 in 2019), and whose assets do not exceed an annually adjusted limit (\$120,339 per person in 2019) (Significant Features of the Property Tax). Qualifying applicants receive a credit of up to half of their tax liability.

Wyoming also authorizes a local-option property tax deferral program. In addition, the state offers a homestead exemption to combat veterans and surviving spouses.

Wyoming's only property tax incentive for economic development is tax increment financing (TIF).

Table WY-2
Wyoming Property Tax Features, 2020

Feature	Wyoming	Count for 50 states plus DC
Statewide classification of real property	Yes	25
Assessment of property primarily by county	Yes	31
Limits on property tax rates or levies	Yes	45
Limits on the rate of growth of assessed value	No	18
Circuit breaker property tax relief program	No	31

Sources: Significant Features of the Property Tax

Key Property Tax History

Wyoming relied heavily on property taxation from its beginning as a territory. Early efforts to diversify tax sources were unsuccessful; but in 1935, a state sales tax was enacted with local options for cities and counties, and in 1969, the state legislature authorized a severance tax on minerals. Both of those sources reduced reliance on property taxation. Wyoming remains one of the few states not imposing a personal income tax (Roberts 2004).

In *Washakie County School District v. Herschler* (1980), the Wyoming Supreme Court first ruled the state's education finance system unconstitutional on equity grounds, noting disparities between funding in property-wealthy and property-poor communities. Fifteen years later, in 1995, the court again found the system in violation of the state's constitution in *Campbell County School District v. State (Campbell I)*, both on equity and adequacy grounds. In this decision, the court ordered the legislature to determine

the cost of a quality education and to fund it, based on parameters spelled out by the court (SchoolFunding.Info).

The legislature reformed its school finance system in response to the ruling; and in 2001, the Supreme Court handed down a decision known as *Campbell II*, which found the state's education finance system "appropriate for the times." The court also found the system met some of its guidelines, such as those related to class sizes and teacher salaries, but ordered the legislature to reexamine certain aspects of the system, most notably capital funding, and advised regular review of cost-based factors and inflation adjustments. In 2008, the court relinquished its jurisdiction in the case, finding the state in full compliance with its constitutional obligations (SchoolFunding.Info).

Recent Developments

Plunging oil prices, coal industry bankruptcies, and widespread layoffs have led to years of budget shortfalls and spending cuts. In 2016, the state passed a 2017–2018 biennial budget that dipped into the state's rainy day fund and cut programs for the poor, including the state's property tax circuit breaker program for low-income elderly and disabled homeowners (Healy 2016). The budget also reduced funding by 60 percent for the state's property tax credit program for low-income homeowners (Brown 2016). The state enacted a 2019–2020 budget that was smaller than any state budget in the last 20 years. In 2018, state revenues remained 38.2 percent below their pre-recession peak, the largest gap of any state, and mineral taxes remained unstable (Pew Charitable Trusts 2019; Reynolds 2018).

The legislature enacted the 2021–2022 biennial budget in March 2020, but the pandemic and coinciding oil price collapse led to two rounds of historic spending cuts. In his 2021 State of the State address, Governor Mark Gordon said Wyoming experienced the "largest loss of income in our state's history" (Wyoming Office of the Governor 2021). In 2021, mineral taxes were down 65 percent from the first quarter of 2020. With a rebound of oil prices and demand for coal, by January 2021 revenue forecasts had improved slightly but the state still faced a large K-12 funding shortfall (Erickson 2021).

In 2020, the legislature enacted administrative reforms (HB 159) to its ad valorem mineral taxes. Since assessments of mineral property are based on mineral production in the year prior to the tax year, and since the taxes are payable in two installments, the lag between production and paying the taxes has contributed to collection challenges and delinquency. Under the new law, taxes will become payable monthly (McDowell 2020).

Resources

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