

Wyoming

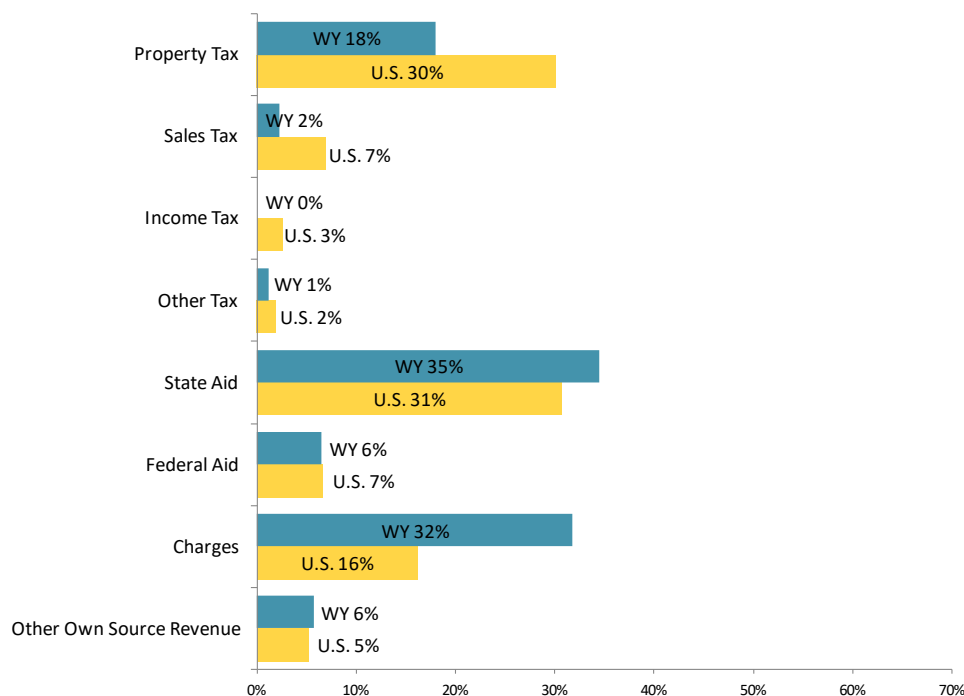
Highlights

Mineral production (predominantly natural gas, coal, and oil) dominates Wyoming’s property tax base, accounting for 45 percent of the property tax base in 2022 (Wyoming Taxpayers Association 2022, 33). The state also levies a severance tax, which raises about 7 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 2022b).

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 2022b, 78).

In 2018, Wyoming spent \$16,228 per pupil for K-12 public education, more than the per pupil expenditure of 38 other states (U.S. Department of Education 2021). Sixty-eight percent of Wyoming’s property tax revenue supports public schools (Wyoming Taxpayers Association 2022a, 4).

Figure WY-1
Sources of Local General Revenue, Wyoming and U.S., 2021



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

Property Tax Reliance

Although Wyoming ranks in the top third 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 31 percent of the tax base (Wyoming Taxpayers Association 2022a, 4) (table WY-1).

Table WY-1
Selected Wyoming Property Tax Statistics, 2021¹

	Wyoming	U.S. Average	Rank (of 51) <i>1 is highest</i>
Per capita property tax	\$2,160	\$1,898	14
Property tax percentage of personal income	3.5%	3.1%	13
Total property tax as percentage of state-local revenue	12.7%	15.5%	33
Median owner-occupied home value ²	\$237,900	\$244,900	25
Median real estate taxes paid for owner-occupied home ²	\$1,442	\$2,690	41
Effective tax rate, median owner-occupied home ³	0.6%	1.1%	41

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 2017–2021.

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 real and personal 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. As noted above, the assessment ratios used to calculate taxes can cause these rates to be applied to fractional assessments, as low as 9.5 percent of value for residential property.

Property Tax Relief and Incentives

Wyoming's Property Tax Refund Program for Low Income Homeowners provides property tax rebates 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 (statewide median income was \$47,864 in 2019), and whose assets do not exceed an annually adjusted limit (\$122,746 per person in 2020) (Significant Features of the Property Tax). When the legislature funds the program, qualifying applicants receive a refund of up to half of their taxes paid in the previous year. The program went unfunded in tax year 2020 (Arnold 2021).

Wyoming enacted a parallel county option program in 2022. Benefits and eligibility criteria for the County Optional Property Tax Refund Program eligibility are almost identical to the state-funded program, but homeowners are required to have occupied the home for nine months of the previous calendar year (Wyoming Act 26 of 2022).

Wyoming also authorizes a local option property tax deferral program, and offers a homestead exemption to combat veterans and their surviving spouses.

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

Table WY-2
Wyoming Property Tax Features, 2022

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. The state's foundation program sets a guaranteed funding level for each school district according to a formula that accounts for student enrollment, special education costs, and other factors. Revenue from local resources, most importantly a mandated 25-mill school district property tax and a 6-mill county property tax, are applied toward each district's guarantee. Districts with local resources below the foundation guarantee receive state aid to make up the difference; some state aid comes from the 12-mill statewide property tax. The state recaptures and redistributes local resources that exceed a school district's guarantee (Wyoming Department of Education).

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

In August 2022, the Wyoming Education Association filed a lawsuit (*Wyoming Education Association v. State of Wyoming*) against the state for failing to adequately fund education. A Laramie County district court judge denied the state's motion to dismiss the lawsuit in early 2023, allowing the case to proceed to trial. The plaintiff claims funding does not accurately reflect the costs of education and that the legislature has not consistently adjusted its foundation formula for inflation (Education Law Center 2023). Property taxes comprise the largest share of local funding for schools in Wyoming, and the state's 12-mill statewide property tax supports state aid.

The legislature enacted a new county option property tax rebate effective for 2022 that mimics a state-backed rebate program that went unfunded in tax year 2020 (Arnold 2021). Under the new program, counties can opt to fund a property tax refund of up to half of the previous year's property tax liability subject to the same income and asset limits as the state-funded program. The county option version uses the same residency requirement but also requires claimants to have occupied their home for nine months of the calendar year for which they are claiming benefits (Wyoming Act 26 of 2022).

In 2022, the Wyoming Supreme Court upheld the requirement of three years of in-state residency for a veterans' property tax exemption. The court found that the goal of encouraging long-term residence was a rational basis for the requirement that did not deny equal protection of the laws (Patterson 2022).

In 2024, Wyoming voters will decide whether to authorize the legislature to create a fourth property tax class for owner-occupied primary residences. Upon signing Senate Joint Resolution 3 on the last day of the 2023 legislative session, Governor Mark Gordon touted the legislatively referred amendment as "an opportunity to put the state on a path for long term property tax relief for families" (Wyoming Governor Mark Gordon 2023). The amendment would allow the state to apply a different assessment ratio to owner-occupied primary residences (Jones 2023). Separate legislation from the 2023 session fully funded the property tax refund program for tax year 2022 and expanded eligibility, raising the income ceiling from 50 percent to 75 percent of county median household income (HB 99 of 2023).

Resources

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Publication Date

October 2023, data updated March 2024