

Wyoming

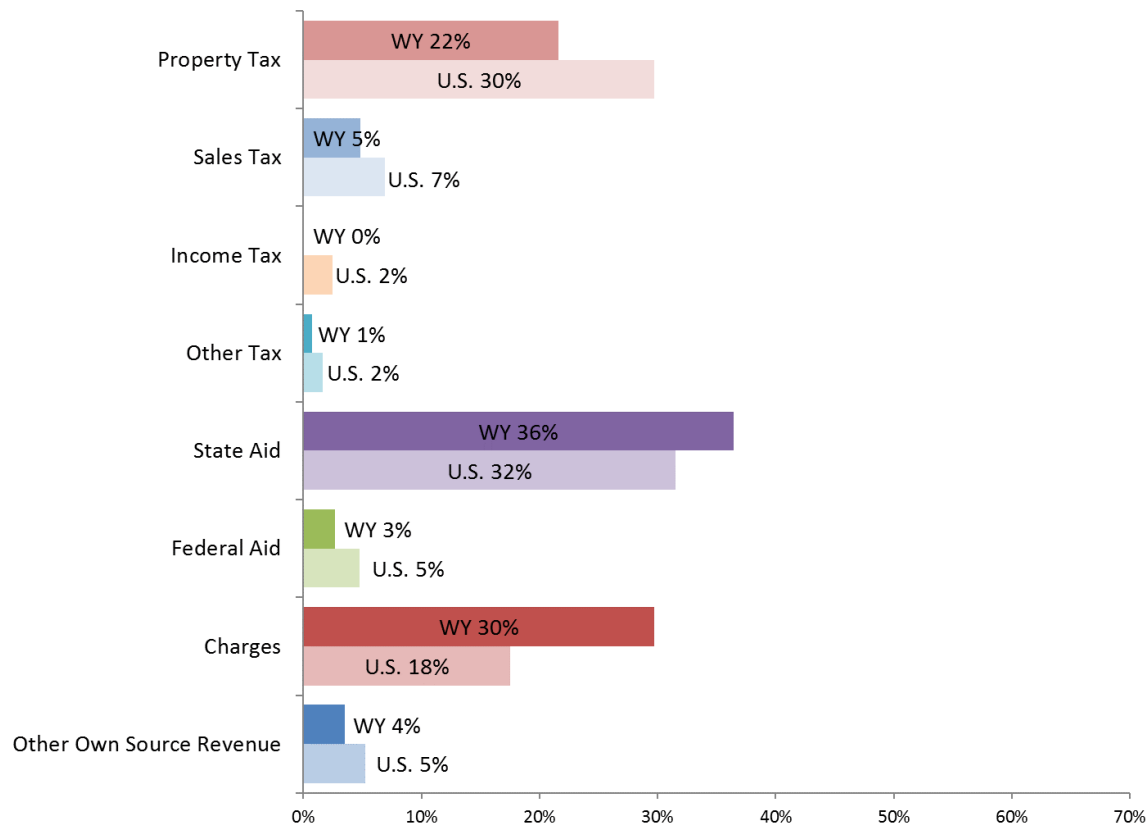
Highlights

Mineral production (predominantly natural gas, coal, and oil) dominates Wyoming’s property tax base, accounting for more than 61 percent of the property tax base in 2015. The state also levies a severance tax, which raises about 80 percent of the amount received from 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 (figure WY-1) (Wyoming Taxpayers Association 2015b).

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 property values.

Wyoming spends \$16,179 per pupil for K–12 public education, more than the per pupil expenditure of 44 other states (Snyder, de Brey, and Dillow 2016). Nearly 69 percent of Wyoming’s property tax revenue supports public schools (Wyoming Taxpayers Association 2015a).

Figure WY-1
Sources of Local General Revenue, Wyoming and U.S., 2013



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 and as a percentage of personal income, the state's effective tax rate on a median value owner-occupied home ranks among that of the 10 lowest states, as residential real estate accounts for only 16 percent of the tax base (table WY-1).

Table WY-1
Selected Wyoming Property Tax Statistics, 2013¹

	Wyoming	U.S. Average	Rank (of 51) <i>1 is highest</i>
Per capita property tax	\$2,175	\$1,441	8
Property tax percentage of personal income	4.2%	3.2%	11
Total property tax as percentage of state-local revenue	15.0%	16.9%	28
Median owner-occupied home value ²	\$185,900	\$176,700	20
Median real estate taxes paid for owner-occupied home ²	\$1,153	\$2,107	39
Effective tax rate, median owner-occupied home ³	0.6%	1.2%	43

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 2009–2013.

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 real property values, and the state Department of Revenue assesses mineral production; pipeline companies, telecommunications, and other utilities; airline, railroad, and rail car companies; and agricultural land (Wolters Kluwer 2016). 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).

Tangible personal property of business, with the exception of inventories, is taxed.

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 Relief 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, and whose assets do not exceed an annually adjusted limit (\$112,420 per person in 2014). Qualifying applicants receive a credit of up to half of their tax liability. Until the 2016 legislative session, the state also had a circuit breaker called the Tax Rebate to Elderly and Disabled Program, but that was cut because of declining state revenues.

Wyoming also authorizes a local-option property tax deferral program, which only Teton County has opted to provide. 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 for Downtown Development Areas.

Table WY-2
Wyoming Property Tax Features, 2013

Feature	Wyoming	Count for 50 states plus DC
Statewide classification of real property	Yes	25
Assessment of property primarily by county	Yes	30
Limits on property tax rates or levies	Yes	45
Limits on the rate of growth of assessed value	No	19
Circuit breaker property tax relief program	Yes	34

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 (ACCESS 2008).

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 (ACCESS 2008).

Recent Developments

In 2014, a coalition of school districts lobbied the legislature to fund annual inflation adjustments called for in state statute that had not been funded since 2010 (ACCESS 2014).

Plagued by plunging oil prices, coal industry bankruptcies, and widespread layoffs, in 2016 Wyoming faced an estimated \$4.4 million FY 2017–2018 budget shortfall amid worsening revenue projections and a climbing unemployment rate (Campoy, Peters, and Phillips 2015). The state passed a 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).

Resources

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Publication Date

November 2016