

# WYOMING TAXFACTS

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## Introduction & Purpose

*“The role and impact of taxes on the lives of Americans make basic tax education an imperative for all...”*

-Nwanna & Richards, 2010

Citizens of Wyoming tend to care deeply about their communities and governments. The lifeblood of any community is its revenue, which allows local governments to provide public services and facilities to its citizens. This revenue is most often generated from taxes.

Few topics are as complex and risk being as emotionally charged and misunderstood as taxes. Because taxation is a concurrent power afforded to federal, state and local governments, an average adult may be paying taxes to each level of government. Yet, a taxpayer may be unaware of the purpose and parameters of these taxes. The following information is designed to help citizens of Wyoming understand and distinguish between various taxes that impact them *individually* and *locally*. For example, it does not explain taxes unique to businesses or go into depth on federal taxes. Instead, this information is designed to help citizens better understand local taxes, feel equipped to engage with your local elected officials, and make informed decisions on local funding issues.

## Taxation as a Concurrent Power

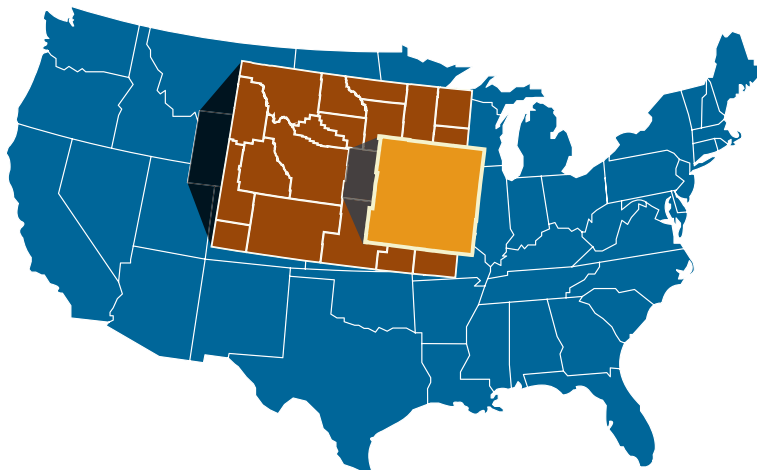
Taxation is known as a *concurrent power*, or one that is shared by the federal government and state and local governments. This means that a power is not exclusive to one level of government but instead is a power held by multiple levels of government. Taxation is one of the most commonly recognized concurrent powers in government. Federal, state, and local governments all have the right to levy taxes and can do so simultaneously or “concurrently.”

### Federal Taxes

The federal government is famously known for levying a federal income tax, which is why April 15 is such a famous date in the United States! That is the day federal income taxes are due. Federal income

tax is figured as a percentage of an individual’s yearly income. In addition to your total income, there are dozens of factors that impact the amount you owe, including tax credits, exemptions and deductions.

Most Americans are engaged in a “pay as you go” system, which means there is an amount deducted from each paycheck, so taxes are paid incrementally across time.



April 15 is the date that any excess or shortfall of taxes due are reconciled as either a refund or an additional payment.

## **State Taxes**

Many states also levy a state income tax in addition to the federal income tax. Currently, 43 states have a state income tax, and these seven states do NOT: Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming. While Wyoming does not have a state income tax, it does have, along with most other states, a state sales tax. A state sales tax is a percentage of the price paid for total of goods and services purchased in that state. States might also assess additional taxes, for example, taxes on specific items such as cigarettes and gasoline.

## **Local Taxes**

Local government entities are most often defined as counties and municipalities. In Wyoming, there are 23 counties and 99 incorporated cities and towns, which are grouped together and labeled “municipalities.” The most commonly recognized and levied taxes at the local level include sales taxes, lodging taxes, and property taxes.