

# Wyoming sales tax revenues fall

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CHEYENNE, - Wyoming Gov. Dave Freudenthal announced Wednesday that the state's taxable sales had dropped 21 percent over May and June compared to the same months last year, a decline that will hurt city and county governments that rely heavily on sales tax revenues.

The decline reflected sluggish statewide sales earlier this spring for everything from mining and construction equipment to cars and groceries.

"The bottom line is that sales and use tax revenues are headed in the same direction that mineral revenues have been headed," Freudenthal told reporters. "And that has implications both for the state government funding but also for local governments, because they are incredibly dependent on sales and use tax revenues."

Dan Nobel, excise tax administrator for the Wyoming Department of Revenue, said Wednesday that statewide sales tax revenues this May were \$58.5 million, down from \$81 million during the same month last year. He said sales tax revenues last month were \$63.6 million, down from \$75.2 million for the same month last year.

The decline means a loss of about \$15 million for local governments, Nobel said. Sales tax revenues are split between local governments and the state.

Nobel said there's a delay after items are sold before the state and local governments receive the tax revenue from vendors. He said June's figures reflect sales that occurred in April.

"It's certainly kind of an alarming figure for right now," Nobel said of the recent decline. "I only hope that it changes, and this turns around."

Nobel said total sales tax receipts for the fiscal year that ended last month appear to be about on track with projections from the state's Consensus Revenue Estimating Group, which had estimated revenues of \$521.9 million for the last fiscal year and \$473.9 million for the fiscal year that began this month.

George Parks, executive director of the Wyoming Association of Municipalities, said cities and towns are concerned about the decline in sales tax revenue because those are "very important operating revenues, and those are the first two months in a row where we've seen a significant change in sales tax."

"Counties are in the process now of putting in their budgets, and they'll officially adopt those budgets now in about two weeks," said Joe Evans, with the Wyoming County Commissioners Association. "There are a number of them have done a lot of slashing budgets, or at least held the line."

Parks said Wyoming municipalities have already approved their budgets last month and the decline "is likely to cause a lot of them to start this new budget year very cautiously."

Parks said cities and towns around the state took in \$240 million in fiscal year 2008 from sales taxes, a hefty share of their total expenditures that year of \$830 million.