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Dear Members of the Revenue Committee, Wyoming Legislature:

As a former legislator and member of the House Revenue Committee, I appreciate the challenging work you committee members are faced with. I write to you out of a growing concern I have for the disproportionate balance our state has with its tax structure. Wyoming presently collects 61% of its taxes from the energy industry according to a legislative report I recently saw. That's crazy, especially at a time when coal and natural gas production in the State are in a decline. The financial volatility of the energy industry that the State is so heavily banking on does not make sense.

We have heard for many years that Wyoming needs to diversify its economy and tax base away from the boom and bust cycles of the energy industry. Wyoming needs to depend on a more diversified tax base that isn't so directly impacted by international events and trends the way oil prices are.

With that in mind it is finally time for the legislature to act on this conundrum that has been espoused so many times for such a long time.

Today we have many large companies and industries making millions of dollars here in the State, taking their profits back to their home state, and leaving us Wyoming citizens with no tax revenues from their profits. Wyoming is one of only two states in our nation without some kind of a broad corporate tax structure. This should change. We have talked about this long enough.

Before you today is a bill that can partially rectify this. The National Corporation Tax Recapture Act addresses the issue. It retrieves a small portion of the revenue stream that these companies have been taking home with total disregard for the folks that bought their merchandise or services. The bill only affects corporations with more than 100 shareholders. It is a net income tax on an apportioned share of national net income. The apportionment is based on revenue, payroll, and fixed assets in the state. It provides credits against severance taxes, sales taxes and property taxes.

As written, this bill may not be perfect, but you've got time before the upcoming session to make it solve the problems we all have been complaining about. Please don't let this opportunity get away. Create a more balanced tax base that will generate a legacy you all will be proud of and the citizens of Wyoming can count on.



Peter Wold
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