

WYOMING, THE TAX-FRIENDLY STATE

There are plenty of reasons to be thankful for owning a home in Jackson Hole, Wyo.: the mountains, the rivers, two national parks, three ski resorts, art galleries, restaurants, a charming Western-style downtown, and a close-knit, philanthropic-minded and fun-loving community.

As enviable as our lifestyle is here, reality does intrude occasionally, as it does with taxes. But even in that area, we as Wyoming residents are better off than most. After all, Wyoming has been cited by *Bloomberg Wealth Management* magazine as the most tax friendly state in the country. This is largely due to the State of Wyoming's budget surplus of nearly \$1 billion.

Tax savings helps us stretch our hard-earned dollars farther, whether to buy real estate, leave property to our heirs or buy a new mountain bike.

Here are 10 good reasons offered by Brian Jones, a senior vice president at Bank of Jackson Hole, why it's good to own a home in Wyoming:

1. No state income tax: With no state tax on personal or corporate income, "you have more disposable income," Jones says.

2. Dynasty trusts: In Wyoming, you can shield your real estate from federal estate taxes for up to 1,000 years through a dynasty trust. "You can establish a trust in Wyoming for the benefit of your family or other beneficiaries," Jones says. "You can transfer your real estate into a limited liability company or family partnership and then put that into the 'dynasty trust,' which can continue for a thousand years." As a result, multiple generations can make use of and enjoy the property, without having to pay estate taxes or worse, having to sell the property in order to pay the taxes. A key point to remember: The trust must be administered in Wyoming.

3. No inheritance tax or estate tax: "Wyoming repealed its estate tax as of January 1, 2005," Jones says.

4. No state gift tax: "Somebody who owns property in Wyoming can 'gift' that real estate to their heirs without having to worry about paying a state gift tax," Jones says.

5. No tax on out-of-state retirement income: "A lot of people in

Jackson Hole use Wyoming as a second home," Jones says. "They have retirement income that comes from other states where they may be a resident. Wyoming doesn't tax that retirement income that's earned outside of Wyoming, which is certainly beneficial."

6. Low property taxes: "Wyoming has very low property taxes



compared to other states," Jones says. "The taxes that you do pay here are based on the assessed value of the property." For Teton County, he says, the rate is 1.2 percent of a property's assessed value. The rate for the city of Jackson is 8/10 of one percent.

7. No excise taxes: When you fill up your car's gas tank or buy a bag of groceries in Wyoming, you won't pay any state tax on your gas or food.

8. No tax on mineral ownership. "A lot of states charge owners a tax on their mineral ownership, but Wyoming does not," Jones says. "If you own minerals, you won't pay a tax on it like you would your home."

9. No intangible taxes: Wyoming doesn't make you pay a tax on financial assets like stocks and bonds.

10. No tax on the sale of real estate.

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