

RANCH RECREATION, REGULATORY OVERVIEW



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Introduction

Agricultural producers are becoming increasingly aware of how the provision of complementary recreational opportunities can improve their bottom lines. However, when the producer engages in these activities, additional government oversight not associated with traditional production agriculture needs to be understood and addressed.

Whether providing consumptive use of wildlife resources (hunting and fishing) or nonconsumptive activities (horseback riding, dude ranching, photographic outings, etc.), it behooves the producer to be knowledgeable of the regulatory environment.

This document is intended to help producers wishing to engage in ranch recreation understand their licensing and registration obligations.

Hunting and Fishing

Hunting outfitters and guides who receive compensation for their services are licensed by the Wyoming Outfitters and Guides Board. The board dictates training requirements (including first aid training), insurance, and planning documents that describe species to be hunted and authorization documents from land managers (both public and private) permitting land parcels to be hunted.

The board does not have oversight of fishing guides nor does it regulate trespass fees (for either hunting or fishing). Fishing guides must still comply with all requirements of private landowners and public land management agencies.

Guide services are considered professional services and, thus, are not subject to sales tax. However, several ancillary services provided by guides and outfitters are taxable, and some of the more important examples are addressed below.

Food Service

The Wyoming Department of Agriculture, Consumer Health Services Division has jurisdiction over the provision of commercial food service. The division licenses food service providers, bed and breakfast establishments, and it inspects and certifies commercial kitchens.

The provision of meals and snacks is subject to sales tax.

Lodging

Lodging services are subject to both sales and lodging (in selected jurisdictions) taxes. Go to this table to determine the appropriate rates for your location(s): <http://revenue.wyo.gov/Excise-Tax-Division/sales-use-tax-rates>. These taxes apply to RV and tent camping, as well as traditional fixed-structure accommodations.

Any rental of equipment (four-wheelers, snow machines, camping gear, etc.) is subject to sales tax if it is not part of a guided tour package. Lodging tax is not applicable to equipment rental.

Transportation

The Wyoming Department of Transportation (WYDOT) requests a Letter of Regulatory Authority when one provides motor vehicle transportation services for compensation while utilizing the state highway system. A safety inspection and additional insurance requirements are conditions of obtaining Regulatory Authority. http://www.dot.state.wy.us/home/trucking_commercial_vehicles/operating_authority.html. Vehicle rental and fuel sales also come under WYDOT purview.

Intrastate transportation of passengers is subject to sales tax. Tours are not taxed, but the fees for shuttle services (for instance, to and from the airport) are taxable.

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Sales Tax

One must obtain a sales tax license from the Department of Revenue if any services or goods are provided for which sales tax is collected. Two very useful publications (“Dude & Guest Ranches,” and “Lodging”) are available at this site: <http://revenue.wyo.gov/Excise-Tax-Division/sales-use-tax-publications-for-specific-industries>

Legal Formation

Many farm and ranch operations have created complicated legal structures such as LLCs and corporations. A potential source of concern involves whether to fold the recreational activities into the existing production agriculture legal structure. As there may be additional liability and tax consequences associated with the recreation venture, consultation with your accountant and/or attorney is advised.

Conclusion

Agricultural diversification can improve profitability, and ranch recreation opportunities, where appropriate, deserve exploration. The Wyoming Business Council is eager to assist producers unfamiliar or uncomfortable with the regulatory environment associated with these options. If you have any questions or desire assistance, call 307-777-2843.

Contacts

Board of Outfitters and Professional Guides , http://outfitters.state.wy.us/	307-635-1589
Wyoming Department of Revenue , http://revenue.wyo.gov/	307-777-5200
Wyoming Department of Agriculture , http://agriculture.wy.gov/divisions/chs	307-777-7211
Wyoming Department of Transportation , http://www.dot.state.wy.us/home.html	307-777-4850
Wyoming Business Council , http://www.wyomingbusiness.org/	307-777-2800