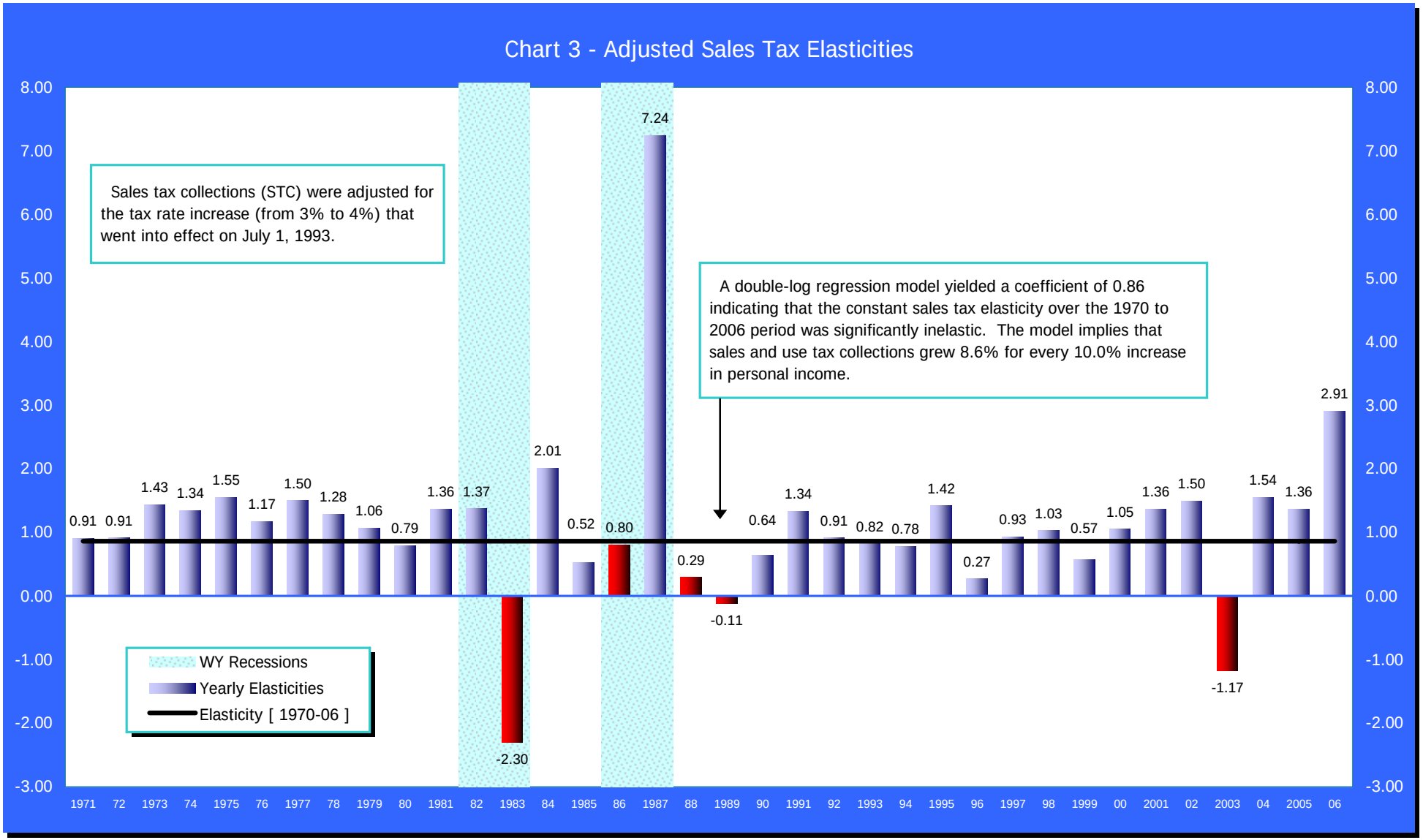
Chart 3 - Adjusted Sales Tax Elasticities
Sales tax collections (STC) were adjusted for the tax rate increase (from 3% to 4%) that went into effect on July 1, 1993.
A double-log regression model yielded a coefficient of 0.86 indicating that the constant sales tax elasticity over the 1970 to 2006 period was significantly inelastic. The model implies that sales and use tax collections grew 8.6% for every 10.0% increase in personal income.
WY Recessions
Yearly Elasticities
Elasticity [1970-06]
8.00
7.00
6.00
5.00
4.00
3.00
2.00
1.00
0.00
-1.00
-2.00
-3.00
0.91 0.91 1.43 1.34 1.55 1.17 1.50 1.28 1.06 0.79 1.36 1.37 -2.30 2.01 0.52 0.80 7.24 0.29 -0.11 0.64 1.34 0.91 0.82 0.78 1.42 0.27 0.93 1.03 0.57 1.05 1.36 1.50 -1.17 1.54 1.36 2.91
1971 72 1973 74 1975 76 1977 78 1979 80 1981 82 1983 84 1985 86 1987 88 1989 90 1991 92 1993 94 1995 96 1997 98 1999 00 2001 02 2003 04 2005 06