**WYOMING - Tax Increment Financing Fact Sheet (TIF)**

**What is Tax Increment Financing? (TIF)**

- TIFs are a tax subsidy intended to be used for redevelopment, infrastructure, and other “community-improvement” projects. TIF relies on private investment into areas of a community in need of economic revitalization. These areas are usually blighted or lack infrastructure for development.
- TIF is legal in Wyoming and has been established under Urban Development statutes for the State of Wyoming – [W.S. 15-9-120](#).
- Typically, a TIF is established by a local city/town or county commission –
  - The City of Cheyenne has created the “Urban Renewal District (URD)” for development of the old Hitching Post Inn site (formerly located at 1600 W Lincolnway, Cheyenne, WY 82001).
- Once a TIF district is established...a baseline of tax revenue continues to flow to public services (fire, schools, roads, etc.); however, as a TIF district is improved, tax revenues rise.
  - All landowners continue to pay taxes as planned
  - The “INCREMENT (difference)” between the baseline of revenue when the district was established and revenue being collected (due to improvements), is used to pay the loan/debt service to improve the district.
  - Typically, these loans are between twenty (20) and thirty (30) years
- One downside of TIF is that not all services are receiving an increase of funding in a TIF district while the loan is in place. Once the loan is retired/paid off, then all services see an increase in revenue.
- TIF funds can only be spent in a TIF district – meaning any dollars collected from the “INCREMENT” (listed above) must be used to improve the defined district within the boundary.
- A TIF district should be legally and narrowly defined to not only make it clear of the boundary of the TIF district, but also to help ensure accuracy in the collection of tax revenues to service proposed debt.

**Helpful Hints**

- Need to work with your local city/town and/or county commission to determine official area of the URD.
- Area would need to be recognized as blight and/or missing vital infrastructure for development
  - Wyoming Definition of blighted area [W.S. 15-9-103 (iii)](#).

---

**Basic TIF Model**

- **Revenues diverted for TIF-eligible purposes:**
  - Pledges to support bond debt services
  - Pledges to developer note
  - Fund Infrastructure
- **INCREMENT Taxes**
- **Existing Tax Base**
  - Revenues continue to flow to normal taxing bodies
- **New Tax Base Revenues**
  - Flow to normal taxing bodies
- **Statutory life of TIF district**