

State of South Dakota

NINETY-THIRD SESSION LEGISLATIVE ASSEMBLY, 2018

569Z0172

HOUSE BILL NO. _____

Introduced by: _____

1 FOR AN ACT ENTITLED, An Act to revise the amount of project costs required to allow the
2 contractor's excise taxes paid on a project to be deposited into the building South Dakota
3 fund.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That § 1-16G-47 be amended to read:

6 1-16G-47. There is hereby created the building South Dakota fund for the purpose of
7 building and reinvesting in South Dakota's economy and to create high quality jobs. Any money
8 in the building South Dakota fund is continuously appropriated to the Bureau of Finance and
9 Management. The state may accept and expend for the purposes of this chapter any funds
10 obtained from appropriations or any other source. Interest earned on money in the fund shall be
11 deposited into the fund.

12 If the Board of Economic Development approves a new or expanded facility with project
13 costs exceeding ~~twenty~~ fifteen million dollars to receive a reinvestment payment pursuant to the
14 provisions of §§ 1-16G-56 to 1-16G-68, inclusive, the Department of Revenue shall deposit all
15 of the contractor's excise tax imposed and paid pursuant to the provisions of chapter 10-46A or
16 10-46B on the project costs into the building South Dakota fund.



1 Section 2. That subdivision (11) of § 1-16G-56 be amended to read:

2 (11) "Project," a new or expanded facility with a project cost which exceed ~~twenty~~ fifteen
3 million dollars, or equipment upgrades with a project cost which exceed two million
4 dollars. A project includes laboratory and testing facilities, manufacturing facilities,
5 advanced telecommunications capability, data centers, power generation facilities,
6 power transmission facilities, agricultural processing facilities, wind energy facilities,
7 and facilities defined by GOED as targeted industries. A project does not include any
8 building or structure:

- 9 (a) Used predominantly for the sale of products at retail, other than the sale of
10 electricity at retail, or the provision of advanced telecommunications
11 capability, to individual consumers;
- 12 (b) Used predominantly for residential housing or transient lodging;
- 13 (c) Used predominantly to provide health care services;
- 14 (d) Used predominantly for the transportation or transmission of natural gas, oil,
15 or crude oil by means of a pipeline; or
- 16 (e) That is not subject to ad valorem real property taxation or equivalent taxes
17 measured by gross receipts;

18 Section 3. That § 1-16G-57 be amended to read:

19 1-16G-57. If the projects costs for a new or expanded facility exceeds ~~twenty~~ fifteen million
20 dollars or the projects costs for equipment upgrades exceeds two million dollars, a person may
21 apply for a reinvestment payment pursuant to §§ 1-16G-56 to 1-16G-68, inclusive. The person
22 shall:

- 23 (1) Timely file an application as required by § 1-16G-58;
- 24 (2) Receive a permit from GOED pursuant to § 1-16G-60;

1 (3) Timely file the affidavit of reinvestment payment as required by § 1-16G-61; and

2 (4) Comply with the provisions of §§ 1-16G-56 to 1-16G-68, inclusive, to qualify for the
3 reinvestment payment.

4 A project with a construction date on or after April 1, 2013, may receive a reinvestment
5 payment as provided by §§ 1-16G-56 to 1-16G-68, inclusive.

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