

State of South Dakota

NINETIETH SESSION
LEGISLATIVE ASSEMBLY, 2015

906W0541

SENATE BILL NO. 136

Introduced by: Senators Brown, Ewing, Frerichs, Greenfield (Brock), Monroe, Novstrup (David), Parsley, and Peterson (Jim) and Representatives Novstrup (Al), Cronin, Duvall, Greenfield (Lana), Hagggar (Don), Heinemann (Leslie), Rozum, Solum, Wiik, Willadsen, and Wollmann

1 FOR AN ACT ENTITLED, An Act to exclude municipal sales and use taxes from the
2 receipts used to determine the tax liability of electric cooperatives.

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

4 Section 1. That § 49-34A-45 be amended to read as follows:

5 49-34A-45. A rural electric cooperative serving less than a majority of customers in a
6 municipality which does not have a municipally owned system, may, at the option of the
7 municipality, pay in addition to other taxes provided by law, an amount to be agreed upon, not
8 to exceed two percent of the total gross revenue collected by the rural electric cooperative for
9 that year, by the electric supplier and the governing body of the municipality. If the parties have
10 not agreed on the amount on or before May first following the calendar year from which the
11 amount is to be paid, the amount to be paid shall be two percent of the total gross revenue
12 collected by the rural electric cooperative from the sale of power distributed to structures and
13 electric service outlets situated within the municipality. Any revenue received by the rural
14 electric cooperative from the tax imposed by a municipality pursuant to this section that is added



1 to the purchaser's bill is not considered gross receipts as defined in chapters 10-45, 10-46, and
2 10-52.

3 Section 2. That § 49-34A-46 be amended to read as follows:

4 49-34A-46. Any electric utility with facilities within the boundaries of a municipality, as
5 they exist from time to time, which has a municipally owned electric system serving over fifty
6 percent of the customers in the municipality, may, at the option of the municipality, pay to the
7 municipality an amount to be agreed upon by the electric supplier and the governing body of the
8 municipality. If the parties have not agreed on the amount on or before May first following the
9 calendar year from which the amount is to be paid, the amount to be paid shall be four percent
10 of the total gross revenue collected by the electric supplier from the sale of power delivered to
11 structures and electric service outlets situated within the municipality during the year for which
12 the amount is paid. Any revenue received by the electric utility from the tax imposed by a
13 municipality pursuant to this section that is added to the purchaser's bill is not considered gross
14 receipts as defined in chapters 10-45, 10-46, and 10-52.