

AN ACT

ENTITLED, An Act to revise certain sales and use tax provisions.

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

Section 1. That § 10-45-2.2 be amended to read as follows:

10-45-2.2. No tax increase may be levied on materials incorporated in construction work pursuant to construction contracts bid or entered into on or before the effective date of the tax increase.

Section 2. That § 10-45-10.3 be amended to read as follows:

10-45-10.3. There is exempted from the provisions of this chapter and from the computation of the tax imposed by it, freeport merchandise and stocks of merchandise brought as foreign merchandise into a foreign trade zone. For the purposes of this section, stocks of merchandise is personal property which is held primarily for sale and not subject to annual depreciation.

Section 3. That § 10-45-11 be amended to read as follows:

10-45-11. There are specifically exempted from the provisions of this chapter and from the computation of the amount of tax imposed by it, gross receipts from the sale of gasoline, motor fuel, and special fuel subject to tax under chapter 10-47B.

Section 4. That § 10-45-12.1 be amended to read as follows:

10-45-12.1. The following services enumerated in the Standard Industrial Classification Manual, 1987, as prepared by the Statistical Policy Division of the Office of Management and Budget, Office of the President are exempt from the provisions of this chapter: health services (major group 80); educational services (major group 82) except schools and educational services not elsewhere classified (industry no. 8299); social services (major group 83); agricultural services (major group 07) except veterinarian services (group no. 074) and animal specialty services, except veterinary (industry no. 0752); forestry services (group no. 085); radio and television broadcasting (group no. 483); railroad transportation (major group 40); local and suburban passenger transportation (group no. 411)

except limousine services; school buses (group no. 415); farm product warehousing and storage (industry no. 4221); establishments primarily engaged in transportation on rivers and canals (group no. 444); establishments primarily engaged in air transportation, certified carriers (group no. 451); establishments primarily engaged in air transportation, noncertified carriers (group no. 452) except chartered flights (industry no. 4522) and airplane, helicopter, balloon, dirigible, and blimp rides for amusement or sightseeing; pipe lines, except natural gas (major group 46); arrangement of passenger transportation (group no. 472); arrangement of transportation of freight and cargo (group no. 473); rental of railroad cars (group no. 474); water supply (industry no. 4941); sewerage systems (industry no. 4952); security brokers, dealers and flotation companies (group no. 621); commodity contracts brokers and dealers (group no. 622); credit counseling services provided by individual and family social services (industry no. 8322); construction services (division C) except industry no. 1752 and locksmiths and locksmith shops; consumer credit reporting agencies, mercantile reporting agencies, and adjustment and collection agencies (group no. 732), if the debt was incurred out-of-state and the client does not reside within the state. The following are also specifically exempt from the provisions of this chapter: financial services of institutions subject to tax under chapter 10-43 including loan origination fees, late payment charges, nonsufficient fund check charges, stop payment charges, safe deposit box rent, exchange charges, commission on travelers checks, charges for administration of trusts, interest charges, and points charged on loans; commissions earned or service fees paid by an insurance company to an agent or representative for the sale of a policy; services of brokers and agents licensed under Title 47; the sale of trading stamps; rentals of motor vehicles as defined by § 32-5-1 leased under a single contract for more than twenty-eight days; advertising services; services provided by any corporation to another corporation which is centrally assessed having identical ownership and services provided by any corporation to a wholly owned subsidiary which is centrally assessed; continuing education programs; tutoring; vocational counseling, except rehabilitation

counseling; motion picture rentals to a commercially operated theater primarily engaged in the exhibition of motion pictures; and charges made by a telecommunications company for the origination, transmission, switching, reception, or termination of an interstate telephone or telegraph communication.

Section 5. That § 10-45-52 be amended to read as follows:

10-45-52. All taxes and license fees collected by the secretary of revenue pursuant to this chapter, shall immediately be turned over to the state treasurer and credited to the state general fund, except as otherwise provided.

Section 6. That § 10-45-62 be amended to read as follows:

10-45-62. Any large boat as defined by § 32-3A-2 is hereby exempted from sales tax if subject to the tax imposed by § 32-3A-50.

Section 7. That § 10-46-2 be amended to read as follows:

10-46-2. An excise tax is hereby imposed on the privilege of the use, storage, and consumption in this state of tangible personal property purchased for use in this state at the same rate of percent of the purchase price of said property as is imposed pursuant to chapter 10-45.

Section 8. That § 10-46-5.2 be amended to read as follows:

10-46-5.2. No tax increase may be levied on materials incorporated in construction work pursuant to construction contracts bid or entered into on or before the effective date of the tax increase.

Section 9. That § 10-46-15.2 be amended to read as follows:

10-46-15.2. There are hereby specifically exempted from the tax imposed by this chapter the gross receipts resulting from authorize purchases made with food stamps under the provision of the Food Stamp Act of 1977 (P.L. 95-113), codified at 7 U.S.C. § 2012(g), as amended through January 1, 2001.

Section 10. That § 10-46-17.4 be amended to read as follows:

10-46-17.4. There is exempted from the provisions of this chapter and from the computation of the tax imposed by it, freeport merchandise and stocks of merchandise brought as foreign merchandise into a foreign trade zone. For the purposes of this section, stocks of merchandise is personal property which is held primarily for sale and not subject to annual depreciation.

Section 11. That § 10-46-17.5 be amended to read as follows:

10-46-17.5. The use in this state of insecticides, herbicides, pesticides, rodenticides, and fumigants to be used exclusively for agricultural purposes is specifically exempted from the tax imposed by this chapter. The tax imposed by this chapter on endoparasiticides and ectoparasiticides shall be deposited in the veterinary student tuition and animal disease research and diagnostic laboratory fund to be used for veterinary student tuition grants and the operations and activities conducted by the State Animal Disease Research and Diagnostic Laboratory established in § 13-58-13.

Section 12. That § 10-46-31 be amended to read as follows:

10-46-31. If tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended over a period longer than sixty days from the date of the sale thereof, the retailer may collect and remit for each month that portion of the tax equal to the rate of tax as provided for in this chapter of that portion of the purchase price actually received during such month.

Section 13. That § 10-46-39 be amended to read as follows:

10-46-39. The secretary of revenue shall enforce and administer this chapter in the same manner and subject to all of the provisions contained in chapter 10-45. Sections 10-45-22, 10-45-29, 10-45-30, and 10-45-37 to 10-45-45, inclusive, are by reference incorporated as part of this chapter.

Section 14. That § 10-46-49 be repealed.

Section 15. That § 10-46-51 be amended to read as follows:

10-46-51. Any large boat as defined by § 32-3A-2 is hereby exempted from the tax imposed by

this chapter if subject to the tax imposed by § 32-3A-50.

Section 16. That § 10-46-61 be repealed.

Section 17. That § 10-52-2.7 be amended to read as follows:

10-52-2.7. No tax increase may be levied on materials incorporated in construction work pursuant to construction contracts bid or entered into on or before the effective date of the tax increase.

Section 18. That § 10-52-6 be repealed.

Section 19. That § 10-52-7 be repealed.

An Act to revise certain sales and use tax provisions.

I certify that the attached Act
originated in the

HOUSE as Bill No. 1001

Chief Clerk

Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1001

File No. _____

Chapter No. _____

Received at this Executive Office
this ____ day of _____ ,

20__ at _____ M.

By _____
for the Governor

The attached Act is hereby
approved this _____ day of
_____, A.D., 20__

Governor

STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20__
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State