

State of South Dakota

EIGHTY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 2007

400N0253

SENATE BILL NO. 41

Introduced by: The Committee on Taxation at the request of the Department of Revenue and Regulation

1 FOR AN ACT ENTITLED, An Act to revise the procedures used to assess and collect unpaid
2 cigarette taxes.

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

4 Section 1. That § 10-50-6 be amended to read as follows:

5 10-50-6. ~~Any~~ No cigarette on which ~~a tax~~ the tax imposed by this chapter has been paid,
6 ~~such~~ the payment being evidenced by the affixing of such stamp or imprint, is ~~not~~ subject to a
7 further tax under this chapter. ~~However, any person,~~ Any person who possesses or receives any
8 cigarettes that do not bear a tax stamp indicating that the South Dakota cigarette tax has been
9 paid, shall pay the tax imposed pursuant to § 10-50-3. Any person who possesses or receives
10 two thousand or more cigarettes that do not bear a tax stamp or imprint indicating that the South
11 Dakota cigarette tax has been paid, shall pay the tax imposed pursuant to § 10-50-3 plus a
12 penalty equal to ten percent of the total tax due. Any person not paying the tax as provided in
13 this section shall pay interest at the rate of one and one-quarter percent for each month or part
14 of a month the tax is unpaid, beginning thirty days after the person's first possession or receipt
15 of the cigarettes. Except as otherwise provided in this section, the provisions of chapter 10-59



1 apply to the assessment and collection of the tax, penalty, and interest.

2 Section 2. That § 10-50-61 be amended to read as follows:

3 10-50-61. In addition to the tax imposed by § 10-50-3, there is imposed, whether or not a
4 sale occurs, a tax upon all tobacco products in this state and upon any person engaged in
5 business as a licensed distributor or licensed wholesaler thereof, at the rate of thirty-five percent
6 of the wholesale purchase price of such tobacco products. ~~Such~~ The tax shall be imposed at the
7 time the distributor or wholesaler brings or causes to be brought into this state tobacco products
8 for sale; makes, manufactures, or fabricates tobacco products in this state for sale in this state;
9 ~~or ships or transports tobacco products to dealers in this state to be sold by those dealers; or at~~
10 the time a person possesses or receives untaxed tobacco products. For the purposes of this
11 chapter, wholesale purchase price is the price for which a manufacturer sells tobacco products
12 to a licensed distributor or licensed wholesaler exclusive of any discount or other reduction.