

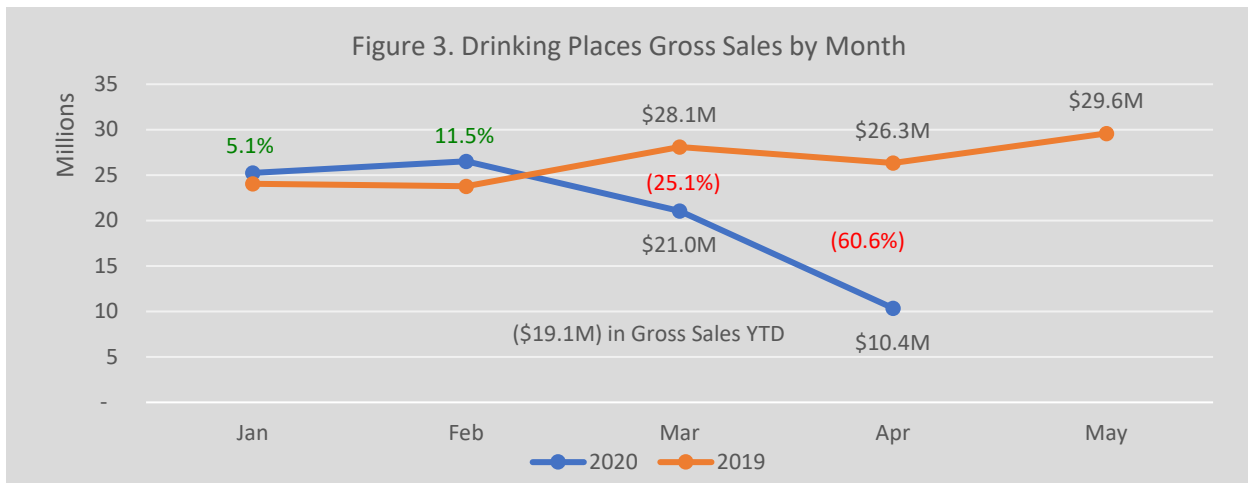
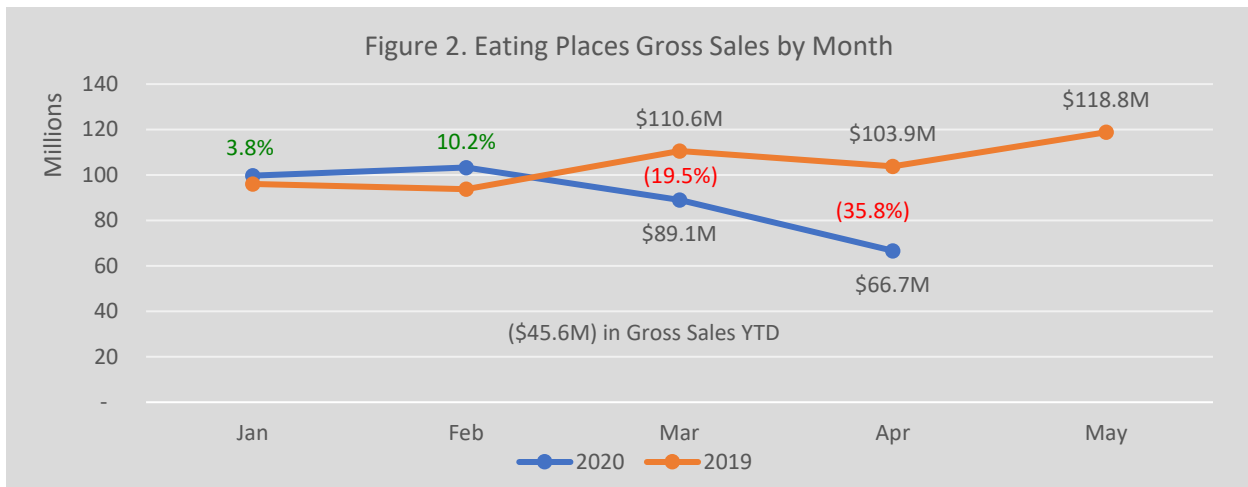
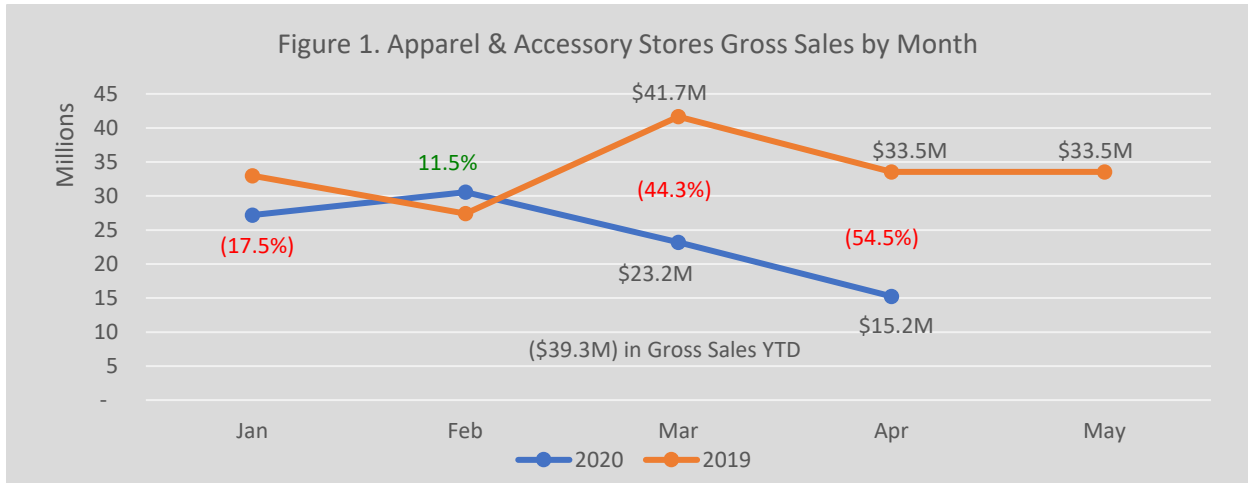
Sales Tax Impact by Sector

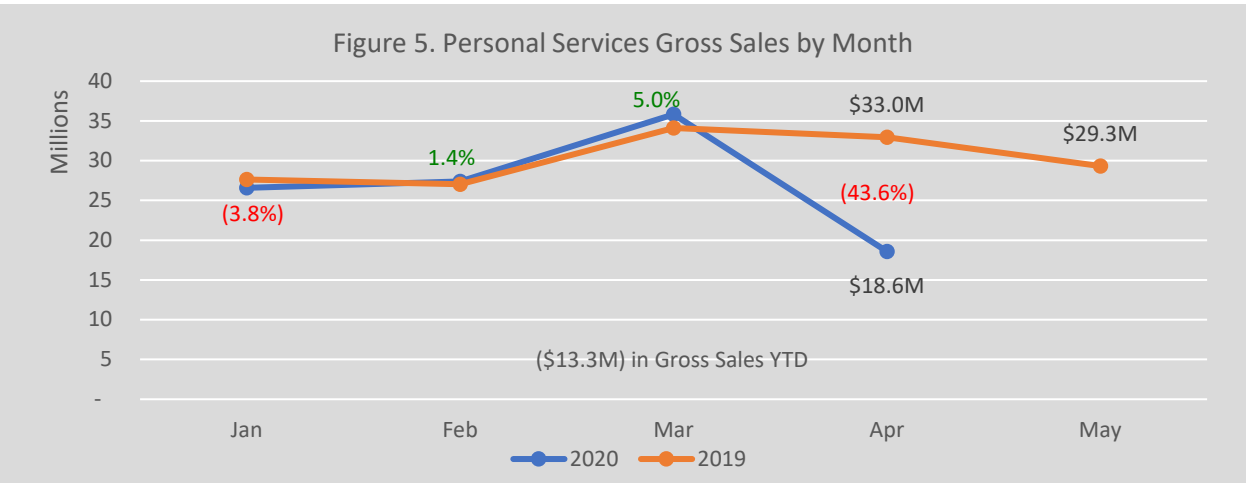
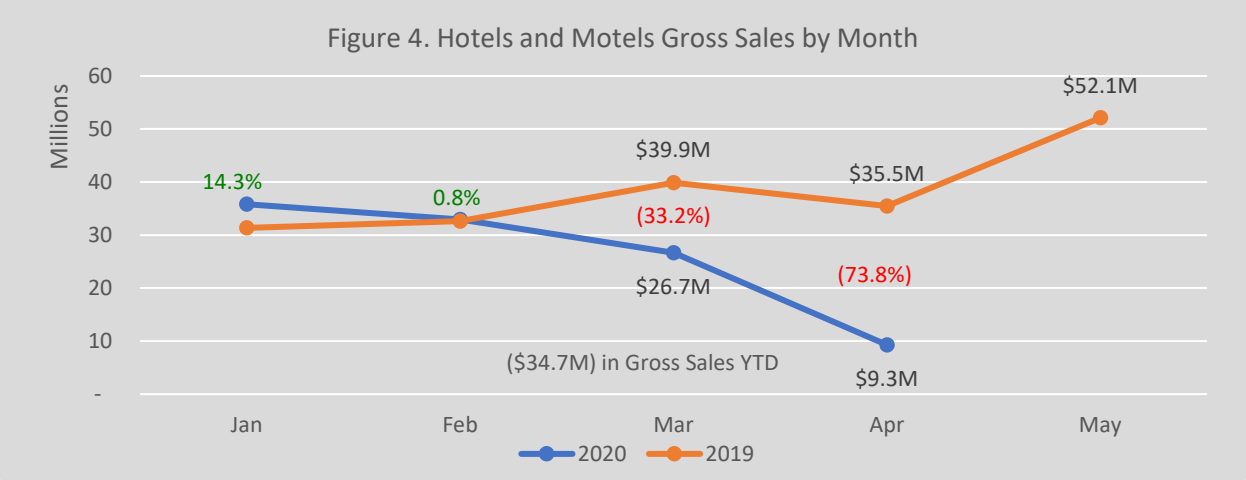
The increase in sales by certain business types offsets decreases in other business types as indicated by Table 1. Thereby the overall net effect on taxable sales for the retail trade industry is slightly positive. The strength of the retail trade sector during the month of April shows a strong consumer demand in South Dakota despite COVID-19 near peak levels and many businesses adjusting operations. The increase in taxable sales also demonstrates the ability of retail trade businesses to adapt to the changing business environment created from COVID-19.

Retail Trade Sector	2019	2020	\$Δ Y/Y	%Δ Y/Y
Apparel & Accessory Stores	\$31.4M	\$12.5M	(\$18.9M)	(60%)
Automotive Dealers & Service Stations	\$82.6M	\$78.M	(\$4.7M)	(6%)
Food Stores	\$120.6M	\$143.M	\$22.4M	19%
Building Materials & Garden Supplies	\$109.9M	\$136.9M	\$27.1M	25%
General Merch. Stores	\$183.4M	\$194.2M	\$10.8M	6%
Furniture & Homefurnishing Stores	\$49.4M	\$44.1M	(\$5.2M)	(11%)
Eating & Drinking Places	\$115.2M	\$67.4M	(\$47.8M)	(42%)
Misc. Retail	\$242.4M	\$260.9M	\$18.5M	8%
Total Retail Trade	\$934.9M	\$937.M	\$2.1M	0.2%

Services by Sector	2019	2020	\$Δ Y/Y	%Δ Y/Y
Hotels & Other Lodging Places	\$31.8M	\$10.7M	(\$21.1M)	(66%)
Personal Services	\$28.2M	\$16.4M	(\$11.8M)	(42%)
Business Services	\$92.6M	\$97.8M	\$5.2M	6%
Auto Repair, Services, & Parking	\$46.6M	\$41.9M	(\$4.7M)	(10%)
Misc. Repair Services	\$14.2M	\$16.7M	\$2.5M	18%
Motion Pictures	\$5.8M	\$3.2M	(\$2.6M)	(44%)
Amusement & Recreation	\$22.6M	\$13.M	(\$9.5M)	(42%)
Health Services	\$10.2M	\$8.7M	(\$1.5M)	(15%)
Legal Services	\$18.9M	\$18.9M	\$.1M	0%
Educational Services	\$1.1M	(\$.5M)	(\$1.6M)	(148%)
Social Services	\$.4M	\$.2M	(\$.27M)	(64%)
Museums, Botanical, Zoological Gardens	\$1.M	\$.05M	(\$1.M)	(96%)
Membership Organizations	\$.5M	\$.4M	(\$.1M)	(28%)
Engineering & Management Services	\$58.5M	\$58.M	(\$.4M)	(1%)
Services, NEC	\$2.8M	\$5.3M	\$2.5M	90%
Total Services	\$335.2M	\$290.8M	(\$44.4M)	(13%)

Trends by Industry or Sector



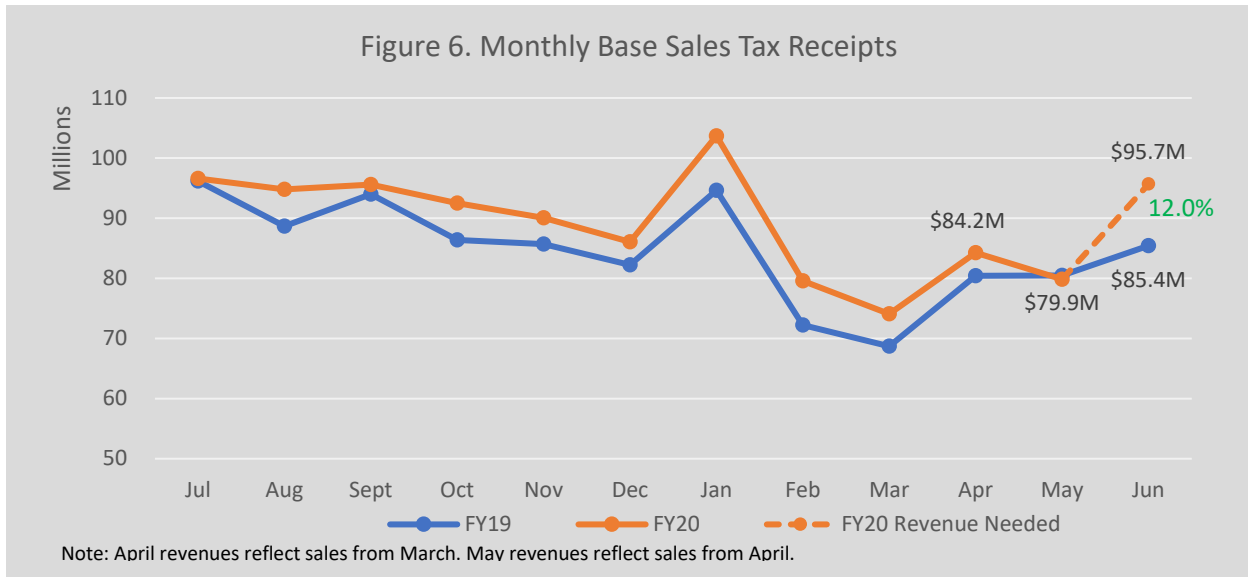


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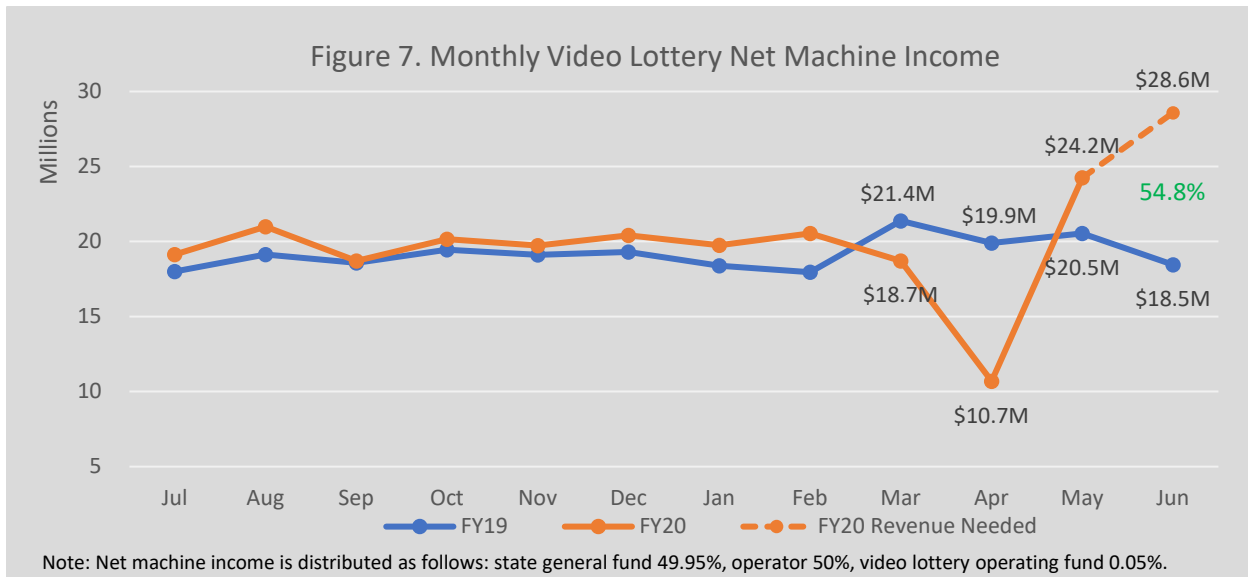
¹ Personal services include businesses primarily engaged in beauty shops, barber shops, funeral services, shoe repair, tax return, dry-cleaning, laundry services, photography, and other miscellaneous services.

FY20 General Fund Revenues Update

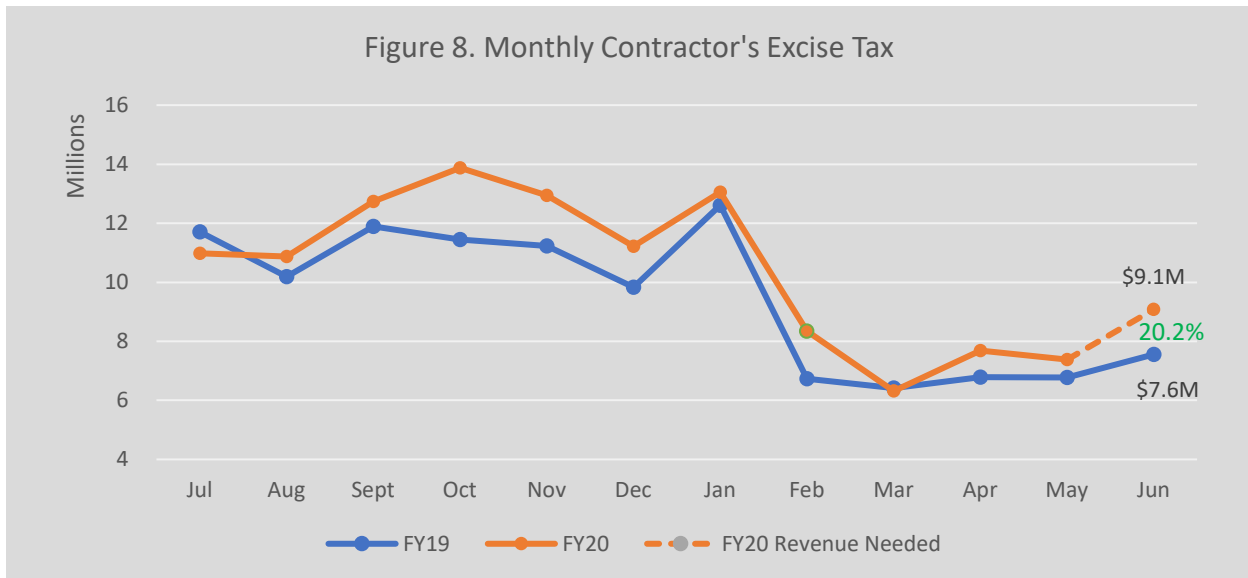
Sales tax receipts for fiscal year 2020 will likely be lower than the adopted revenue target. This is mainly due to flat sales in April (reported in May). May reported year-over-year growth was (0.77%).



Lottery receipts for fiscal year 2020 will likely be lower than the adopted revenue target. This is a result of lower than expected video lottery receipts in March and April. Additional receipts in May and June will not likely be enough to make up the decline seen in March and April.



Contractor's Excise Tax (CET) for fiscal year 2020 will likely reach the adopted revenue target. The growth of CET over the last few months has followed the forecasted model very closely. CET does not appear to have been affected by COVID-19.



Unclaimed property net receipts for fiscal year 2020 will likely be above the adopted revenue target. May and June net receipts will see a net positive in receipts. This is a result of lower than expected claims in March, May, and June. It is likely claims were lower because of COVID-19.

