



2022 South Dakota Legislature

House Bill 1045

Introduced by: **Representative Ernie Otten**

1 **An Act to increase a tax on the gross receipts of all sales of marijuana, and to**
2 **distribute a portion of that revenue to counties.**

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

4 **Section 1. That chapter 10-45 be amended with a NEW SECTION:**

5 A tax of fifteen percent is imposed on the gross receipts of all sales of marijuana
6 and marijuana products. This tax is in lieu of the tax imposed pursuant to § 10-45-2.

7 **Section 2. That chapter 10-45 be amended with a NEW SECTION:**

8 The department shall appropriate the revenue collected pursuant to section 1 of
9 this Act to cover the costs incurred by the department in carrying out its duties to collect
10 the revenue pursuant to section 1 of this Act.

11 If the remaining revenue does not exceed ten million dollars in a tax year, the
12 remaining revenue must be deposited into the state general fund.

13 If the remaining revenue exceeds ten million dollars in a tax year, fifty percent of
14 the remaining revenue must be divided proportionally amongst the counties based on
15 where the revenue was generated. The revenue must be distributed to the county by
16 September first of each year to be used for the construction, repair, and renovation of
17 courthouses, jails, county roads, bridges, with any revenue not used for these purposes
18 to be used to reduce the property tax levy in the county. The remaining fifty percent of
19 revenue must be deposited into the state general fund.