An Act to provide a refund for the contractor's excise tax for certain residential housing projects.

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

Section 1. That chapter 10-46A be amended with a NEW SECTION:

The terms used in this chapter mean:

(1) "Affordable Housing," any new single-family home sold for a price that does not exceed the purchase price limit established by the housing authority as of the date of the sale;

(2) "Department," the Department of Revenue;

(3) "Eligible homebuyer," any individual who meets the income limits established by the housing authority as of the date of the sale;

(4) "Homebuilder," any prime contractor with a valid contractor's excise tax license that is engaged in the business of constructing residential housing;

(5) "Housing authority," the South Dakota Housing Development Authority;

(6) "Single-family home," residential housing consisting of one dwelling unit constructed by a homebuilder; and

(7) "Secretary," the secretary of the Department of Revenue.

Section 2. That chapter 10-46A be amended with a NEW SECTION:

An eligible homebuyer who has purchased from a homebuilder a single-family home that qualifies as affordable housing may apply to the department for a refund of contractor's excise taxes imposed and paid under chapter 10-46A for the construction of the single-family home. The application must be submitted on forms prescribed by the secretary and be supported by such documentation as the secretary may require.

Section 3. That chapter 10-46A be amended with a NEW SECTION:
An application for refund may be submitted to the department no earlier than sixty
days after the date of the closing on the purchase of the single-family home and no later
than one hundred eighty days after the closing date.

Section 4. That chapter 10-46A be amended with a NEW SECTION:

If the application is submitted within the period prescribed in section 3 and if the
application contains the requisite information and documentation, the department shall
refund the contractors excise tax to the homebuyer.

Section 5. That chapter 10-46A be amended with a NEW SECTION:

The board of commissioners of the housing authority shall promulgate rules,
pursuant to chapter 1-26, establishing eligible homebuyer income limits and single-family
home purchase price limits for each county in the state.

Section 6. That chapter 10-46A be amended with a NEW SECTION:

The secretary shall promulgate rules, pursuant to chapter 1-26, establishing
procedures for applying for a refund.