



2022 South Dakota Legislature

House Bill 1173

HOUSE COMMERCE AND ENERGY ENGROSSED

Introduced by: **Representative Derby**

1 **An Act to include a common paymaster as within the meaning of employing unit.**

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

3 **Section 1. That § 61-1-3 be AMENDED:**

4 **61-1-3.** As used in this title, the term, employing unit, means an individual or type
 5 of organization, including any partnership, limited liability company, association, trust,
 6 estate, joint-stock company, insurance company or corporation, whether domestic or
 7 foreign, or the receiver, trustee in bankruptcy, trustee or successor thereof, or the legal
 8 representative of a deceased person, which has had in its employ one or more individuals
 9 performing services for it within this state. Each individual performing services within this
 10 state for any employing unit which maintains two or more separate establishments within
 11 this state is deemed to be employed by a single employing unit for all the purposes of this
 12 title. Each individual employed to perform or to assist in performing the work of any agent
 13 or employee of an employing unit is deemed to be employed by the employing unit for all
 14 the purposes of this title, whether the individual was hired or paid directly by the
 15 employing unit or by the agent or employee, if the employing unit had actual or
 16 constructive knowledge of the work.

17 For purposes of this title, an employing unit includes a common paymaster. As
 18 used in this section, the term, common paymaster, means a business entity that disburses
 19 remuneration to employees of two or more business entities on behalf of the other
 20 business entities and is responsible for keeping books and records for the payroll with
 21 respect to the employees. The amount disbursed to an individual employed concurrently
 22 by two or more related business entities is determined by 26 U.S.C. § 3306(p) as of
 23 January 1, 2022. The department shall promulgate rules pursuant to chapter 1-26 to
 24 determine when a common paymaster relationship exists between business entities.