

SOUTH DAKOTA DEPARTMENT OF REVENUE

House Taxation Committee

January 11, 2024
Michael Houdyshell, Cabinet Secretary



Fiscal Year 2023
state tax revenue totaled

\$2,888,627,720

 Up 5.7%
from FY22

Fiscal Year 2023 Total Tax Revenue Breakdown

76.98%

Sales, Use, and
Contractor's
Excise Taxes

9.11%

Motor Vehicle
Taxes

7.42%

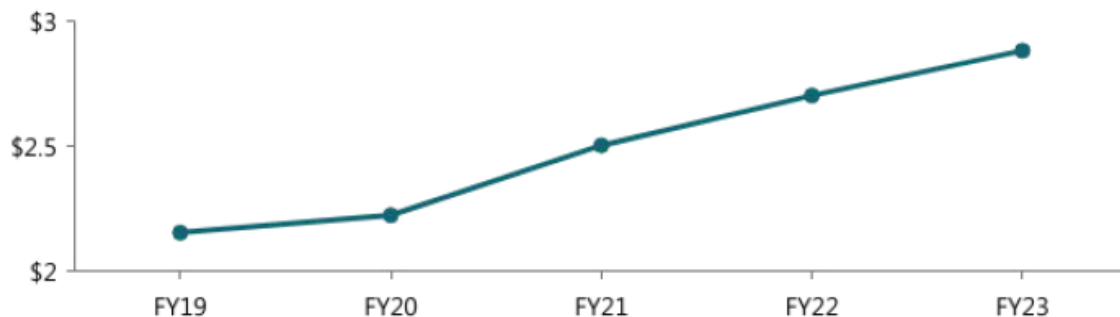
Motor Fuel
Taxes

4.33%

Special Taxes

2.15%

Special Funds



| Fiscal Year | Sales, Use, and Excise Taxes | Special Funds* | Motor Fuel Taxes** | Motor Vehicle Fees*** | Special Taxes**** | Total | Percent Change |
|------------------------------|---------------------------------|----------------------|-----------------------|--------------------------|-----------------------|-------------------------|-------------------|
| 2019 | \$ 1,550,417,631 | \$ 60,702,609 | \$ 212,209,837 | \$ 202,102,398 | \$ 128,701,454 | \$ 2,154,133,929 | 4.8% |
| 2020 | \$ 1,623,878,853 | \$ 59,543,442 | \$ 210,522,720 | \$ 205,008,909 | \$ 123,254,243 | \$ 2,222,208,167 | 3.2% |
| 2021 | \$ 1,848,797,042 | \$ 60,098,147 | \$ 212,249,954 | \$ 241,311,993 | \$ 146,096,556 | \$ 2,508,553,692 | 12.9% |
| 2022 | \$ 2,056,093,516 | \$ 58,050,207 | \$ 222,935,830 | \$ 250,490,291 | \$ 156,701,537 | \$ 2,733,095,400 | 9.0% |
| 2023 | \$ 2,223,744,180 | \$ 62,138,774 | \$ 214,530,094 | \$ 263,232,300 | \$ 124,982,372 | \$ 2,888,627,720 | 5.7% |
| Five Year Average | \$ 1,860,586,244 | \$ 60,106,636 | \$ 214,489,687 | \$ 232,429,178 | \$ 135,947,232 | \$ 2,404,497,797 | |

Increase in Taxable Valuation

| For Taxes Payable in | Agricultural Taxable Valuation | Ag % Change | Owner-Occupied Taxable Valuation | OO % Change | Other Non-Ag Taxable Valuation | Other % Change |
|----------------------|--------------------------------|-------------|----------------------------------|-------------|--------------------------------|----------------|
| 2019 | 43,421,465,733 | 1.8% | 36,196,296,614 | 11.5% | 20,599,549,999 | 9.4% |
| 2020 | 43,863,543,579 | 1.0% | 36,639,571,533 | 1.2% | 21,868,088,979 | 6.2% |
| 2021 | 43,737,386,316 | -0.3% | 38,863,225,791 | 6.1% | 23,189,457,979 | 6.0% |
| 2022 | 41,945,856,216 | -4.1% | 41,610,248,598 | 7.1% | 24,332,132,090 | 4.9% |
| 2023 | 43,120,983,977 | 2.8% | 49,264,911,208 | 18.4% | 28,203,318,799 | 15.9% |

- % Change includes both reappraisal and new growth.
- Other Non-Ag valuation includes commercial, non-owner-occupied residential, and rental properties. It does not include Centrally Assessed Utilities.
- These values do not include valuation from TIF increment.
- Appendix B in DOR Annual Report shows Pay 2024 valuations but does include TIF increment.

Trends in Valuations by County

- Change in value includes both reappraisal AND growth/new construction.
- The equalization factor plays a significant role.
 - The closer to full market value, the smaller the equalization factor will be, resulting in what looks like a loss of taxable value.
 - The further away from full market value, the factor becomes bigger, and the valuations will reflect an increase.

Factors to Consider

How Levies Respond



How Levies Respond

If property
values go
down



Levy Rate
Goes Up

Value vs Levy Comparison

Typically, increase in taxes is due to increase in tax call, not valuation change.

- Levy increased where there was a decrease in overall taxable valuation, or a new taxing authority was added (i.e., an opt out passed or debt was incurred)
- Levy decreased where there was an increase in overall taxable valuation or the tax request was reduced

Questions?



South Dakota
Department of Revenue



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