



2025 South Dakota Legislature

House Bill 1037

Introduced by: The Chair of the House Committee on Appropriations at the request of the Bureau of Finance and Management

1 **An Act to repeal the tax collection allowance credit for filing returns and remitting**
 2 **taxes electronically.**

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

4 **Section 1. That § 10-45-27.2 be REPEALED.**

5 ~~Any person required to file a return and remit the tax imposed by chapter 10-45,~~
 6 ~~who holds a license issued pursuant to chapter 10-45, who timely files the return due,~~
 7 ~~and who timely remits the tax due, is allowed, as compensation for the expense of~~
 8 ~~collecting and paying the tax, a credit equal to one and one-half percent of the gross~~
 9 ~~amount of the tax due. However, the credit may not exceed seventy dollars per return~~
 10 ~~period.~~

11 ~~If a person is required to file a return and to remit tax more than once within a~~
 12 ~~thirty-day period, the collection allowance credit may not exceed seventy dollars for all~~
 13 ~~returns filed and all remittances made within the thirty-day period.~~

14 ~~The collection allowance credit authorized by this section only applies to taxes~~
 15 ~~reported on the sales and use tax return, including the taxes imposed by chapters 10-45,~~
 16 ~~10-45D, 10-46, 10-46E, 10-52, 10-52A, 10-58, and 10-33A, and §§ 32-5B-20 and 10-~~
 17 ~~62-2.~~

18 ~~The collection allowance credit authorized by this section shall be granted for any~~
 19 ~~return to be filed and for any tax to be remitted after January 1, 2014.~~

20 ~~The collection allowance credit authorized by this section shall only be granted to~~
 21 ~~a person who timely files the return due by electronic means and who timely remits the~~
 22 ~~tax due by electronic means.~~

23 ~~For any tax collected by the department on behalf of another entity, upon which~~
 24 ~~the collection allowance credit is calculated, the entities shall negotiate in good faith to~~
 25 ~~share in the payment of the collection allowance credit. The department may implement~~

1 ~~such allocation of collection allowance credit directly or through the adjustment of any~~
2 ~~administrative fee charged pursuant to § 10-59-52.~~

3 ~~No person that has selected a certified service provider as its agent as set forth in~~
4 ~~§ 10-45C-1 is entitled to the collection allowance credit authorized by this section if the~~
5 ~~certified service provider receives a monetary allowance as provided by the Streamlined~~
6 ~~Sales and Use Tax Agreement authorized by chapter 10-45C for performing the retailer's~~
7 ~~sales and use tax functions in this state.~~

8 ~~No collection allowance credit authorized by this section may be granted to any~~
9 ~~person who has outstanding tax returns due to the department or who has outstanding~~
10 ~~tax remittances due to the department.~~