



2025 South Dakota Legislature

Senate Bill 190

SENATE EDUCATION ENGROSSED

Introduced by: **Senator** Carley

1 **An Act to provide school choice through an education tax credit.**

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

3 **Section 1. That a NEW SECTION be added to chapter 10-13:**

4 Any owner of property that is subject to taxation pursuant to chapter 10-4 may
 5 receive a property tax credit to be applied toward any property tax levied on the property
 6 for the school district in which the property is located. The reduction is based on education
 7 expenses the owner has incurred for any child who meets the following qualifications:

8 (1) The child is at least five years old, but not older than eighteen years; and

9 (2) The child is a kindergarten-through-twelfth-grade student in South Dakota enrolled
 10 in a nonpublic school or the child is receiving alternative instruction pursuant to
 11 § 13-27-3.

12 Incurred, eligible education expenses for which a property tax credit may be
 13 received pursuant to this Act include:

14 (1) Tuition;

15 (2) Fees for sports programs and fine arts programs;

16 (3) Textbooks, curricula, and instructional materials and supplies;

17 (4) Educational therapies or tutoring;

18 (5) Registration fees for:

19 (a) Nationally standardized achievement tests;

20 (b) Advanced placement tests;

21 (c) Tests related to postsecondary admission; and

22 (d) Conferences for educational purposes;

23 (6) Transportation services between a student's residence and:

24 (a) The nonpublic school in which the student is enrolled;

25 (b) The institution of higher education at which the student is enrolled; and

26 (c) A location related to the education or the student; and

1 (7) Technological devices, instruments, and equipment necessary for the student to
2 participate in a form of educational pursuit provided in this section.

3 **Section 2. That a NEW SECTION be added to chapter 10-13:**

4 The amount of the property tax credit received by any property owner in any year
5 may not exceed eighty percent of the total amount of school district taxes owed to that
6 school district by the owner for that year. In addition, the total amount of property tax
7 credits received by an individual property owner or by multiple property owners pursuant
8 to this Act for incurred eligible education expenses for any individual child in any year may
9 not exceed eighty percent of the current year's per student equivalent in the general state
10 aid to education formula as defined in § 13-13-10.1. After the state share is calculated,
11 the credits will be deducted from the local effort in the district in which the property is
12 located.

13 **Section 3. That a NEW SECTION be added to chapter 10-13:**

14 To apply for a property tax credit pursuant to this Act, a property owner shall, prior
15 to January first, submit an application to the county director of equalization stating that
16 the person is the owner of the property and stating the name and school enrollment
17 information for any child for whom the property owner has incurred eligible education
18 expenses. The application shall be on a form prescribed by the Department of Revenue
19 and shall be verified by the school in which each child is enrolled. On the application, the
20 property owner shall list each eligible education expense the owner has incurred and the
21 cost of each. The property owner shall sign the application under penalty of perjury and
22 provide documentation to substantiate each expense listed.

23 **Section 4. That a NEW SECTION be added to chapter 10-13:**

24 The property tax bill sent to each taxpayer pursuant to § 10-21-1.1 shall reflect
25 any property tax credits received pursuant to this Act.

26 **Section 5. That a NEW SECTION be added to chapter 10-13:**

27 The Department of Revenue shall promulgate rules pursuant to chapter 1-26 to
28 specify the forms and procedures for filing and processing requests for property tax credits
29 under this Act and the documentation that is necessary to verify the eligible education
30 expenses.