

2025 South Dakota Legislature

House Bill 1191**AMENDMENT 1191A
FOR THE INTRODUCED BILL**

1 **An Act to subject advertising services to a gross receipts tax, and to allocate**
2 **proceeds to property tax relief.**

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

4 **Section 1. That § 10-45-12.1 be AMENDED:**

5 **10-45-12.1.** The following services enumerated in the Standard Industrial
6 Classification Manual, 1987, as prepared by the Statistical Policy Division of the Office of
7 Management and Budget, Office of the President are exempt from the provisions of this
8 chapter: ~~health~~

9 (1) Health services (major group 80); ~~educational~~

10 (2) Educational services (major group 82) except schools and educational services not
11 elsewhere classified (industry no. 8299); ~~social~~

12 (3) Social services (major group 83); ~~agricultural~~

13 (4) Agricultural services (major group 07) except veterinarian services (group no.
14 074), ~~and~~ animal specialty services, except veterinary (industry no. 0752); ~~forestry~~

15 (5) Forestry services (group no. 085); ~~radio~~

16 (6) Radio and television broadcasting (group no. 483); ~~railroad~~

17 (7) Railroad transportation (major group 40); ~~local~~

18 (8) Local and suburban passenger transportation (group no. 411) except limousine
19 services; ~~school~~

20 (9) School buses (group no. 415); ~~trucking~~

21 (10) Trucking and courier services, except air (group no. 421) ~~except and~~ collection and
22 disposal of solid waste; ~~farm~~

23 (11) Farm product warehousing and storage (industry no. 4221); ~~establishments~~

24 (12) Establishments primarily engaged in transportation on rivers and canals (group no.
25 444); ~~establishments~~

- 1 (32) Continuing education programs; ~~tutoring~~
2 (33) Tutoring; ~~vocational~~
3 (34) Vocational counseling, except rehabilitation counseling; ~~and motion~~
4 (35) Motion picture rentals to a commercially operated theater primarily engaged in the
5 exhibition of motion pictures; and
6 (36) Advertising services, except advertising services for a drug as defined in
7 subdivision 34-20B-2(1) or (2).

8 **Section 2. That a NEW SECTION be added to chapter 10-45:**

9 There is imposed a tax of ten percent on the gross receipts of all sales of advertising
10 services for a drug, as defined in subdivision 34-20B-2(1) or (2).

11 The department shall transfer all moneys collected pursuant to this section to the
12 state treasurer for deposit into the property tax reduction fund established pursuant to
13 section 3 of this Act.

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

15 There is created in the state treasury the property tax reduction fund. The fund
16 consists of all moneys deposited pursuant to section 2 of this Act and any gifts, grants,
17 donations, or any moneys appropriated for the purpose set forth in this section. The
18 purpose of the fund is to supplement property tax revenues in this state and to reduce
19 the property taxes levied by political subdivisions by providing property tax credits to real
20 property owners in this state, as authorized by law.

21 The state treasurer shall administer the fund.