2025 South Dakota Legislature

House Bill 1245

SENATE TAXATION ENGROSSED

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: **Representative** *Massie*

1 **An Act to exempt from the state sales and use tax gross receipts for certain services**
2 **to a partnership.**

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

4 **Section 1. That a NEW SECTION be added to chapter 10-45:**

5   The following are exempt from the provisions of this chapter and from the
6 computation of the tax imposed by this chapter:
7 (1)   Gross receipts from services rendered by a natural person to a business taxed as
8   a partnership in which the natural person is an owner;
9 (2)   Gross receipts from services rendered by a limited liability company, which has no
10   employees and is wholly owned by a natural person, to a business taxed as a
11   partnership in which the limited liability company is an owner; and
12 (3)   Gross receipts from services rendered by a corporation, which is wholly owned by
13   a natural person and has no employees other than its owner, to a business taxed
14   as a partnership in which the corporation is an owner.

15 **Section 2. That a NEW SECTION be added to chapter 10-46:**

16   The following are exempt from the provisions of this chapter and from the
17 computation of tax imposed by this chapter:
18 (1)   Gross receipts from services rendered by a natural person to a business taxed as
19   a partnership in which the natural person is an owner;
20 (2)   Gross receipts from services rendered by a limited liability company, which has no
21   employees and is wholly owned by a natural person, to a business taxed as a
22   partnership in which the limited liability company is an owner; and
23 (3)   Gross receipts from services rendered by a corporation, which is wholly owned by
24   a natural person and has no employees other than its owner, to a business taxed
25   as a partnership in which the corporation is an owner.