



2025 South Dakota Legislature  
**House Bill 1245**  
**ENROLLED**

AN ACT

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

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

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

The following are exempt from the provisions of this chapter and from the computation of the tax imposed by this chapter:

- (1) Gross receipts from services rendered by a natural person to a business taxed as a partnership in which the natural person is an owner;
- (2) Gross receipts from services rendered by a limited liability company, which has no employees and is wholly owned by a natural person, to a business taxed as a partnership in which the limited liability company is an owner; and
- (3) Gross receipts from services rendered by a corporation, which is wholly owned by a natural person and has no employees other than its owner, to a business taxed as a partnership in which the corporation is an owner.

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

The following are exempt from the provisions of this chapter and from the computation of tax imposed by this chapter:

- (1) Gross receipts from services rendered by a natural person to a business taxed as a partnership in which the natural person is an owner;
- (2) Gross receipts from services rendered by a limited liability company, which has no employees and is wholly owned by a natural person, to a business taxed as a partnership in which the limited liability company is an owner; and
- (3) Gross receipts from services rendered by a corporation, which is wholly owned by a natural person and has no employees other than its owner, to a business taxed as a partnership in which the corporation is an owner.

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

\_\_\_\_\_  
I certify that the attached Act originated in  
the:  
House as Bill No. 1245

\_\_\_\_\_  
Received at this Executive Office  
this \_\_\_\_ day of \_\_\_\_\_,  
2025 at \_\_\_\_\_ M.

\_\_\_\_\_  
Chief Clerk

By \_\_\_\_\_  
for the Governor

\_\_\_\_\_  
Speaker of the House

The attached Act is hereby  
approved this \_\_\_\_ day of  
\_\_\_\_\_, A.D., 2025

Attest:

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
Governor

**STATE OF SOUTH DAKOTA,**

ss.

Office of the Secretary of State

\_\_\_\_\_  
President of the Senate

Attest:

Filed \_\_\_\_\_, 2025  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Secretary of State

House Bill No. 1245  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

By \_\_\_\_\_  
Asst. Secretary of State