

Calculating the Dollars Needed to Reduce Property Taxes

The following will provide the analysis for estimating the dollars needed to reduce property taxes. The following tables show the property taxes raised for the levies by each classification.

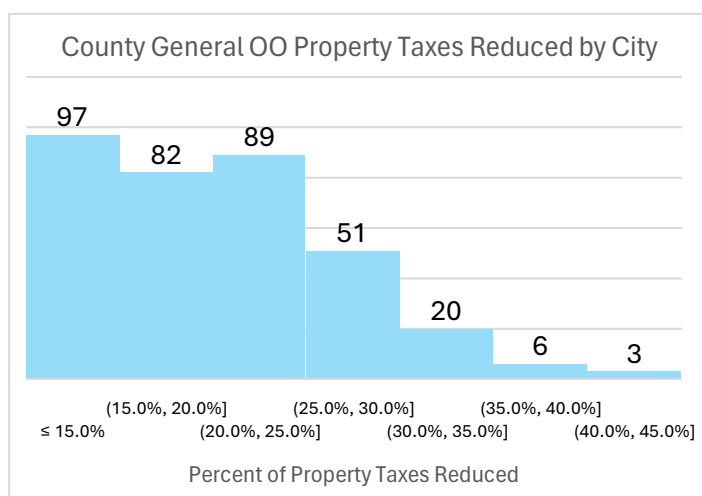
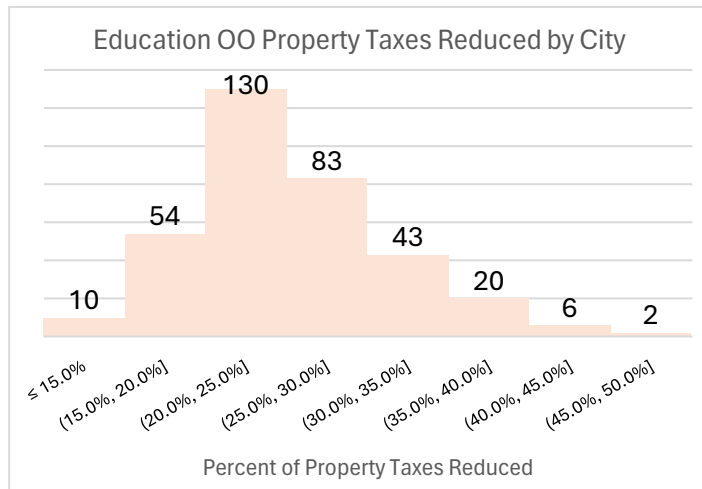
	FY2028	AG	OO	Other	Total
	Valuation	51,119,231,254	70,879,129,170	43,975,340,083	165,973,700,507
General	Pay 27/28 Levy	1.077	2.411	4.990	
Education	Revenue	\$ 54,253,634	\$ 166,820,781	\$ 213,226,467	\$ 434,300,882
Special	Pay 27/28 Levy	1.293	1.293	1.293	
Education	Revenue	\$ 65,134,586	\$ 89,464,649	\$ 55,250,866	\$ 209,850,101
County	Pay 24 Levy		Varies		
General	Revenue		\$ 174,560,364		

Reducing both education levies on owner-occupied (OO) to zero, requires revenue of \$256.3 million for FY2028.¹ This produces on average a reduction of 25% in property taxes.²

Reducing the county general levy for OO in every county to zero requires more than \$174.6 million. This produces on average a reduction of 20% in property taxes.²

Reducing all three OO levies to zero requires at least \$430.8 million. This produces on average a reduction of 45% in property taxes.²

Reducing the education levies will produce on average a higher reduction in property taxes for more people as shown in the charts indicating a reduction in the percent by city.



¹ This assumes a 1.0% increase to state aid to education for FY2027, 3.0% in FY2028 and an increase of 5% in valuations each year. If the increase to state aid is smaller or larger, the number of dollars needed will change.

² Assuming a similar distribution of tax burden as the base Pay 2023 data set.

Adjusting Existing Revenue Sources

State Sales Tax

Sales tax applies to the sale of a good or service for which there is not a specific exemption for. This tax is paid by the consumer at the time of the sale.

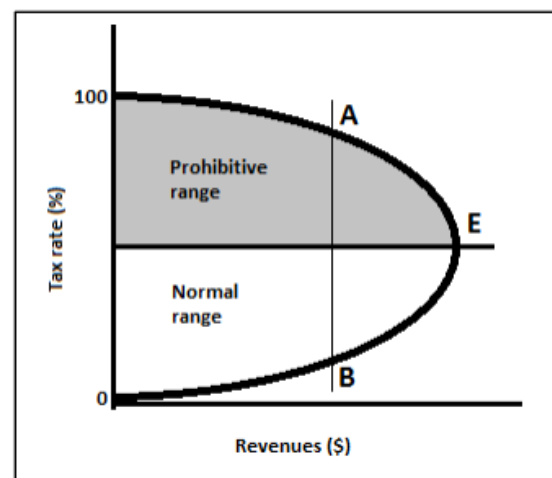
The current state sales tax rate is 4.2%, which will go back to 4.5% starting July 1, 2027, unless legislative action is taken. Each 0.1% of sales tax generates about \$35 million in revenue. The table to the right demonstrates the amount of revenue generated by increasing the state sales tax rate; however, this does not consider the effects of the Laffer curve.

Base Sales Tax		
2019 (4.5%)	1,015,064,700	3.7%
2020 (4.5%)	1,064,870,596	4.9%
2021 (4.5%)	1,199,478,875	12.6%
2022 (4.5%)	1,342,882,298	12.0%
2023 (4.5%)	1,464,613,807	9.1%
2024 (4.2%)	1,433,876,599	-2.1%
2025 (4.2%)	1,413,939,227	-1.4%
2026 target	1,473,987,183	4.2%

The Laffer curve depicts the relationship between tax rates and the revenue the government receives. Increasing a tax has diminishing returns to a certain point because of the reduction in consumption. The figure below shows how the Laffer curve works. As a tax rate increases, consumption goes down and the state receives less revenues. Points A and B, respectively, indicate in theory, a high tax rate with reduced consumption generates the same revenue as a low rate with more consumption. Point E represents the tax rate where revenues are maximized.

Sales Tax Rate	Increase in Revenue
4.20	0
4.50	105,284,799
4.75	193,022,131
5.00	280,759,463
5.25	368,496,796
5.50	456,234,128
6.00	631,708,793
6.20	701,898,659

In 2017, when the State increased sales tax from 4.0% to 4.5%, the State would have expected an increase in revenues of 12.5% year-over-year. However, the increase in sales tax revenue was 9.7%. The resulting sales tax revenue generated that year demonstrated the effect of the Laffer curve. The State moved from a point on the line closer to E to a point closer to A because revenues fell as the tax rate increased. In 2023, when the state lowered sales tax from 4.5% to 4.2%, the State would have expected a decrease in revenue of (6.7%). Instead, revenues decreased by (2.1%), thereby increasing revenues more than expected, thereby moving from a point closer to A to a point closer to E on the line. This history likely indicates South Dakota's sales tax rate of 4.2% is currently above point E on the line. Therefore, increasing the sales tax rate further would have diminishing returns and be further into the prohibitive range.



Contractor's Excise Tax

The contractor's excise tax applies to any contract involving construction services³ or improvement to realty. The contractor is responsible for paying the tax to the state. Typically, contractors add the tax as a line item on invoices, thereby the customer or consumer ends up paying the tax.

Contractor's Excise Tax		
2019	113,163,617	5.1%
2020	123,723,519	9.3%
2021	144,448,267	16.8%
2022	155,823,772	7.9%
2023	189,407,586	21.6%
2024	216,712,589	14.4%
2025	212,000,571	-2.2%
2026 target	219,181,622	3.4%

The 1979 Legislature enacted the contractor's excise tax at 4% to help in replacing revenues lost due to removing the personal property tax and to maintain good roads. The 1980 Legislature passed HB 1256 to change the tax rate to 1.5%. The 1984 Legislature passed HB1092 to increase the tax to 2% until May 1, 1985 and then increase the rate to 2.2% starting May 1, 1985. However, the 1985 Legislature with SB 135 repealed the increase to 2.2% before it could take effect, thereby leaving the rate at 2%, which is where it remains today.

An increase of the tax rate by two-tenths a percent, 2.2% tax rate, similar to what the 1984 Legislature suggested, would increase revenues by approximately \$21.9 million based on the FY2026 adopted target.

Bank Franchise Tax

The bank franchise tax is an annual tax imposed on banks, financial institutions, and savings and loan associations based on net income. Prior to 1991, institutions all paid a flat tax rate of 5.5% (1969), 6% (1979) based on the total net income. The table below provides the tax rate based on net income.

Bank Franchise Tax		
2019	17,256,120	37.9%
2020	12,060,604	-30.1%
2021	18,702,022	55.1%
2022	22,511,850	20.4%
2023	20,425,082	-9.3%
2024	28,659,255	40.3%
2025	26,180,028	-8.7%
2026 target	28,041,899	7.1%

The 1969 Legislature allowed the counties to receive 80% of the tax, while the general fund retained 20%. Currently, the state retains 95% of the tax paid by credit card banks and 26.66% of the tax paid by all others. The remaining 5% and 73.33% are remitted to

	Net Income		Current Net Income 2000 Change	Tax Rate
	1979 change	1991 change		
All Income	\$500 million or less		\$400 million or Less	6.0%
	\$500 to \$525 million		\$400 to \$425 million	5.0%
	\$525 to \$550 million		\$425 to \$450 million	4.0%
	\$550 to \$575 million		\$450 to \$475 million	3.0%
	\$575 to \$600 million		\$475 to \$500 million	2.0%
	\$600 million or more		\$500 to \$600 million	1.0%
			\$600 to \$1,200 million	0.5%
			\$1.2 billion or more	0.25%

³ As enumerated in division c of the SIC manual, 1987.

counties where the bank branch, branch office, or financial institution is located. The state share of bank franchise tax in FY2025 was \$26.2 million.

A change to net income, tax structure, or distribution of revenues between counties and the state will generate varying amounts of revenue. Further analysis is needed to identify the change to increase revenues from the bank franchise tax.

Cigarette Tax

The 1949 Legislature enacted the tax structure we have currently on cigarettes at 1.5 mills or \$0.03 per pack of 20 cigarettes. Today the tax is \$1.53 per pack of 20. The tax applies to each cigarette, a tax of \$0.0765 per cigarette. The table below provides the history of increases by mill, cost per pack, and the Legislative session the tax was increased. The revenue generated by the tax shown in the table is net of the \$5 million transfer as required by SDCL 10-50-52.

An increase in the tax rate of \$0.20 per 20 pack or 10 mills per cigarette could generate an increase in revenues of \$3.9 million.

Other Tobacco Products

The 1995 Legislature with HB1297 established a 10% wholesale tax on other tobacco products. Other tobacco products include cigars, snuff, and products with tobacco that are not cigarettes, but does not apply to vaping products. An initiated measure was approved by the voters in 2006 to raise the tax to 35%. The rate has not changed since. Each 1% of tax generates approximately, \$396,586 in tax revenue.

An increase in the rate of 5% could generate \$2.0 million more in revenue based on the FY2026 target.

Cigarette Tax		
2019	40,518,207	-9.4%
2020	40,898,935	0.9%
2021	41,351,749	1.1%
2022	37,775,170	-8.6%
2023	35,303,570	-6.5%
2024	31,669,352	-10.3%
2025	28,125,665	-11.2%
2026 target	27,761,005	-1.3%

Legislative Session	Tax Mill Rate	Increase per pack of 20	Today's Dollars
2006	76.5	\$ 1.00	\$ 1.59
2003	26.5	\$ 0.20	\$ 0.35
1995	16.5	\$ 0.10	\$ 0.21
1985	11.5	\$ 0.08	\$ 0.24
1981	7.5	\$ 0.01	\$ 0.04
1979	7.0	\$ 0.02	\$ 0.09
1969	6.0	\$ 0.04	\$ 0.35
1965	4.0	\$ 0.02	\$ 0.82
1963	3.0	\$ 0.01	\$ 0.11
1959	2.5	\$ 0.02	\$ 0.22
1955	1.6	\$ 0.003	\$ 0.03
1949	1.5	\$ 0.03	\$ 0.41

Other Tobacco Products Wholesale Tax		
2019	9,453,009	2.0%
2020	10,167,177	7.6%
2021	10,962,444	7.8%
2022	11,610,209	5.9%
2023	11,771,079	1.4%
2024	11,792,802	0.2%
2025	12,154,528	3.1%
2026 target	11,897,573	-2.1%

Medical Cannabis Fees

The fees collected for medical cannabis contribute to the operations of the program. In FY2024, the total revenues collected for medical cannabis were \$1.9 million with \$1.1 million from cardholder fees and \$774,770 from medical cannabis establishment fees.

The operating expenses were \$1.2 million, creating a

surplus of \$722,936 within the program. There are 219 medical cannabis establishments and 13,489 approve patient cards.

	FY 24 Fee	FY25 Fee
Medical Cannabis Establishment	\$ 5,310	\$ 9,000
Patient card	\$ 75	\$ 75
Low-income patient	\$ 20	\$ 20
Caregiver	\$ 20	\$ 20

Increasing these fees by 50% would likely generate an increase in revenue of \$1.0 million.

Redirecting Existing Revenue Sources

Video Lottery

The Legislature established video lottery in 1989 with SB 129 and determined video lottery was necessary for the support of state government and its existing public institutions through passage of SB 154. Prior to 1995, the state's share of video lottery was set by the lottery commission within a range of 15-to 35%. The 1993 and 1994 Legislature raised the maximum amount of the state's share by 1% each year. The 1995 Legislature permanently set the state's share of

Video Lottery		
2019	114,085,816	4.7%
2020	115,403,187	1.2%
2021	147,885,651	28.1%
2022	161,036,666	8.9%
2023	162,643,644	1.0%
2024	164,098,550	0.9%
2025	164,919,248	0.5%
2026 target	168,828,016	2.4%

video lottery at 50%. Retailers keep the other 50% of net machine income from video lottery.

The state share of video lottery in FY2025 was \$164.9 million. A 10% increase in the state's share of video lottery could generate \$33.8 million in additional revenue.

Future Funds

Following the recession of the early 1980s, the future fund was developed in 1987 under Governor Mickelson to invest in South Dakota's workforce and build its economy.

The future fund receives revenue from an investment fee paid by employers based on the employer wages.

Future Fund Fee Revenue		
2019	17,765,879	2.0%
2020	17,966,662	1.1%
2021	16,700,640	-7.0%
2022	22,562,286	35.1%
2023	24,404,267	8.2%
2024	24,584,208	0.7%
2025	24,336,947	-1.0%

The investment fee is based on the employer's unemployment insurance reserve ratio (the dollar amount employers have in their unemployment insurance reserve accounts divided by their average payroll for the last 3 fiscal years). The higher the employer reserve ratio, the higher the account balance, meaning less employees utilizing unemployment benefits. In 2024, approximately 29,500 businesses paid into the Future Fund. The cash balance in the future fund has grown from a balance of \$46.4 million in FY2021 to \$ 77.8 million at the end of FY2025, indicating the fund is not spending as much as the fund receives.

The use of the fund is for research and economic development. The Governor has the sole discretion to determine the awards. Entities typically receiving funding included state agencies, higher education, economic development organizations, non-profits, and private businesses.

Redirecting 25% of the future fund revenue would amount to about \$6.1 million for property tax reduction.

Tourism Promotion Fund

The tourism promotion fund receives revenues from two sources. A 1.5% sales tax increase during June, July, August, and September on visitor related businesses (§ 10-45D-2). Visitor-related businesses include any lodging establishment, campground, motor vehicle rental, visitor attraction, recreational

	Tourism Tax			Tourism Gaming Revenue	
2019	11,722,506	4.1%		3,191,229	-1.6%
2020	10,855,307	-7.4%		3,743,828	17.3%
2021	11,260,849	3.7%		4,166,391	11.3%
2022	15,850,879	40.8%		4,049,487	-2.8%
2023	15,752,513	-0.6%		4,327,111	6.9%
2024	17,575,181	11.6%		4,519,801	4.5%
2025	17,530,125	-0.3%		4,661,691	3.1%

equipment rental, recreational service, spectator event, and visitor-intensive business. This additional sales tax generates about \$17.5 million for the fund. The fund also receives 40% of the gaming tax provided in § 42-7B-48, which in FY2025 was about \$4.7 million. Tourism uses this revenue for marketing and promoting South Dakota to potential tourists. The cash balance in the fund has grown from a balance of \$2.4 million in FY2021 to \$8.3 million at the end of FY2025, indicating the tourism is not utilizing all the money it receives from these revenues.

Redirecting 0.50% of the tax rate to the general fund for property tax reduction could amount to \$5.9 million, while decreasing the fund's share of the gaming tax by 10% would provide \$1.1 million in available money.

Removing Exemptions

Sales Tax Exemptions

South Dakota has a very broad sales tax base. However, there are still many sales tax exemptions. [Chapter 10-45](#) lists out the different exemptions. The Governor's summary budget book starting on [page 17](#) lists out estimates for these sales tax exemptions.

There is an estimated \$1,459,863,096 in potential sales tax revenue the State is not collecting by providing an exemption. The exemptions are grouped by industry like agriculture, transportation healthcare, business, education, financial, and others.

The table below lists out the statute, description, and dollar amount of selected exemptions of sales tax. This list is provided here to show varying examples of what is exempt from sales tax.

Selected Agriculture Sales Tax Exemptions

10-45-18.3	\$	66,144,149	Feed for farm animals
10-45-16	\$	49,359,566	Commercial fertilizer
10-45-3.4(1)	\$	29,850,381	Parts or repairs on farm machinery or equipment for ag purposes
10-45-16.1	\$	30,706,794	Pesticides and products or substances exclusively for ag purposes
10-45-19	\$	21,588,630	Motor fuel, tractor fuel, propane, natural and diesel fuels for ag purposes
10-45-15	\$	39,124,935	Seed sold in quantities of 25lb or more for ag purposes
10-45-12.1	\$	9,623,316	Agricultural Services
10-45-18.6	\$	245,910	The sale of swine or cattle semen used for ag purposes
10-46-16.6	\$		
	\$	246,643,681	Selected Agriculture Total

Selected Healthcare Sales Tax Exemptions

10-45-12.1; 10-45-1; 10-45-15;	\$	510,077,400	Health services, purchases by nonprofit hospitals, prescription drugs, durable medical equipment, and others.
	\$	510,077,400	Selected Healthcare Total

Selected Business Sales Tax Exemptions

10-45-7	\$	48,697,790	Lodging or campsites provided to any person for 28 or more consecutive days. Occasional rental of sleeping accommodations or camp sites, which is 10 or less days/year
10-45-12.1	\$	41,301,816	Advertising services: preparing and placement of ads.
10-45-12.1	\$	7,668,478	Water Supply
10-45-5.2	\$	1,118,911	Sanitary services (not collection/disposal of solid waste)
10-45-12.1	\$	612,821	Motion picture rentals to a commercially operated theater
10-45-5.2	\$	7,202,835	Radio & Television Broadcasting
10-45-5.5	\$	8,000,000	Chemicals purchased for use by Lawn & Garden Services
10-46-2.5	\$		
10-45-12.4	\$	9,000,000	Services provided to a rural water system
10-45-90	\$	1,466,269	Services performed for rodeos
10-46-63	\$		
10-45-12.7	\$	75,568	Any person officiating an amateur sporting event.
	\$	125,144,488	Selected Business Total

Selected Transportation Sales Tax Exemptions

10-45-12	\$	10,101,220	Railroad Transportation & Rental of Railroad Cars
10-45-12	\$		Arrangement of Passenger Transportation; Arrangement of Transportation of Freight & Cargo; Local and Suburban Passenger Transportation, Trucking and Courier services;
10-45-67	\$	81,339,206	Natural gas transportation
10-46-55	\$		
	\$	91,440,426	Selected Transportation Total
	\$	973,305,995	Total for the listed exemptions

Property Tax Exemptions

The Department of Revenue creates forms for property tax exemptions. The county director of equalization retains the form submitted by the entity seeking the exemption. The county director of equalization is required to publish a list of tax-exempt properties (10-4-15.1), but is not required to have a valuation for the property.

The table below provides a listing of the different types of entities who are exempt from property taxes. There are twelve types of entities currently exempt from paying property taxes. There are 9,255 or more entities, businesses, or organizations not currently paying property taxes. The table below shows the valuation of properties in the state exempt from property taxes as well as an estimated amount paid if the general education and special education mill levy applied.

Chapter 10-4 outlines the property tax exemptions and provides more explanation as to what is exempt for each classification. For example, business incubators are exempted by § 10-4-39; education 10-4-13; charitable, benevolent or religious society 10-4-9.1 and 10-4-9.2; nonprofit health care 10-4-9.3; congregate housing 10-4-9.4; and local industrial 10-4-8.1.

The data in the table below is from the Department of Revenue and is the best aggregated data available on exempt properties. The data is incomplete and is likely missing data and on the low side for valuations. Contacting counties directly about their exempt property valuations might result in a better data set.

Exemption Type	Count	Land Value	Building Value	Accessed Value [^]	Property Tax Generated by Mill Levy		
					General Education	Special Education	Total
					Other Mill Levy at 5.211	Other Mill Levy at 1.264	
Benevolent	1,010	42,214,530	1,796,747,782	1,471,169,850	\$ 7,666,266	\$ 1,859,559	\$ 9,525,825
Business Incubator	14	1,375,000	154,993,461	125,094,769	\$ 651,869	\$ 158,120	\$ 809,989
Charitable	1,161	74,242,180	445,446,366	415,750,837	\$ 2,166,478	\$ 525,509	\$ 2,691,987
Congregate Housing	110	10,734,378	851,387,061	689,697,151	\$ 3,594,012	\$ 871,777	\$ 4,465,789
Education	394	33,781,442	442,709,781	381,192,978	\$ 1,986,397	\$ 481,828	\$ 2,468,225
Government	293	9,033,467	20,896,543	23,944,008	\$ 124,772	\$ 30,265	\$ 155,037
Housing Commission	127	15,873,354	71,974,647	70,278,401	\$ 366,221	\$ 88,832	\$ 455,053
Local Industrial	233	4,777,312	12,402,105	13,743,534	\$ 71,618	\$ 17,372	\$ 88,989
Nonprofit Health	677	65,793,642	1,764,115,249	1,463,927,113	\$ 7,628,524	\$ 1,850,404	\$ 9,478,928
Other	361	9,212,141	28,790,393	30,402,027	\$ 158,425	\$ 38,428	\$ 196,853
Religious	4,625	2,410,457,710	5,493,681,846	6,323,311,645	\$ 32,950,777	\$ 7,992,666	\$ 40,943,443
Rural Water	250	2,405,407	130,886,130	106,633,230	\$ 555,666	\$ 134,784	\$ 690,450
Total	9,255	2,679,900,563	11,214,031,364	11,115,145,542	\$ 57,921,023	\$ 14,049,544	\$ 71,970,567

[^]Accessed value is 80% of the land and building value

New Revenue Sources

Vaping Excise Tax

South Dakota does not have an excise tax on vaping, while cigarettes or other tobacco products have an excise tax. Minnesota, Wyoming, and Nebraska have a specific excise tax on vaping. There are generally two methods to taxing vaping - taxing at a wholesale or purchase rate or taxing by specific milliliter.

A vaping tax of 15% on the wholesale price (Wyoming model) could generate \$3.1 million in revenue. A vaping tax of \$0.05 per mL of consumable material (Kansas model) could generate \$1.4 million in revenue. This assumes consumption in South Dakota is equal to those states. Taxing vaping at 35% of the wholesale price, like how other tobacco products are taxed, could generate \$7.3 million in revenue.⁴

County Sales Tax

A county sales tax would be similar to state and city sales tax where the consumer buying an item or service pays a tax at the time of consumption. A half-penny (0.50%) county sales tax is likely not enough to replace the revenue generated from owner-occupied county general tax revenues. A 0.50% county sales tax would likely generate \$168.3 million statewide.⁵ However, the county general levy generated \$174.6 million in Pay 24.

The Department of Revenue (DOR) and the Bureau of Finance & Management (BFM) have prepared the attached analysis listed as appendix A at the end of this document. There are a lot of assumptions in the analysis and the Legislative Research Council (LRC) has not been able to reconcile the taxable sales identified for each county with existing reports. A detailed explanation and data set of the information has not been provided to replicate or verify the analysis.

⁴ This analysis is based on data from Wyoming and Kansas and a per capita analysis for the tax revenue.

⁵ This assumes the same exemptions and exceptions as state sales tax. This estimate does not account for the effects of the Laffer curve mentioned previously.

Education Tax

This tax would apply to nearly all gross sales in the state. Items not being taxed would be items intended to be sold for resale, where the tax would be collected if the final sale occurs in the state. In FY2024, the state had \$110.5 billion in gross sales. Approximately \$4.5 billion in sales is for resale or likely tax exempt based on the constitution. A tax of 0.10% on net gross sales of \$69.8 billion would generate \$69.8 million in revenue.⁶

For example, a farmer sells 1,000 bushels of corn to an elevator for \$3.85 per bushel. The sale of \$3,850 would not have the tax applied as the elevator is buying the corn to resell. The elevator then sells 1,000 bushels of corn to a tortilla manufacturer for \$4.05 a bushel. The \$4,005 transaction would have the tax applied to the sale. If the farmer instead sold the 1,000 bushels of corn to an ethanol plant at \$4.00 a bushel, the \$4,000 transaction would have the tax applied. The tax applies when the good or service being sold is consumed or made into something else.

The table below takes the total gross sales in the state in FY2024 and subtracts out sales for resale or likely constitutional items that could not have this tax applied.

FY2024 Gross Sales	
Total Sales	110,499,217,334
Manufacturing	(12,784,864,485)
Wholesale Trade	(20,761,582,068)
Ag Production - Crops	(194,912,414)
Ag Production - Livestock	(294,765,224)
New & Used Car Dealers	(3,669,570,562)
Used Car Dealers	(416,417,478)
Gasoline Service Stations	(2,054,338,505)
Motorcycle Dealers	(280,687,531)
Automotive Dealers, NEC	(246,252,458)
Net Gross Sales	69,795,826,609
Revenue Generated by:	
Tax Rate of 0.10%	69,795,827
Tax rate of 0.50%	348,979,133
Tax rate of 1.00%	697,958,266

⁶ The source of information used for this analysis is from the [FY2024 State Taxable Sales by SIC Code](#), DOR Report.

Reductions to State Government

Across the Board Reductions

A 5% general fund reduction from each agency in state government would generate \$123.1 million in savings, which could be used to reduce property taxes. The table below provides the dollar amount and percent reduction from each agency.⁷

Agency	FY2026 General Fund Appropriation	5% Reduction
Attorney General	20,424,012	1,021,201
Board of Regents	313,212,872	15,660,644
Bureau of Finance & Management	1,373,089	68,654
Bureau of Human Resources & Administration	14,871,388	743,569
Bureau of Information & Telecommunications	10,551,061	527,553
Department of Revenue	1,154,380	57,719
Department of Game, Fish, & Parks	6,245,753	312,288
Department of Agriculture & Natural Resources	16,499,500	824,975
Department of Corrections	157,630,620	7,881,531
Department of Education	800,218,483	40,010,924
Department of Health	14,497,301	724,865
Department of Human Services	322,750,816	16,137,541
Department of Labor & Regulation	3,767,603	188,380
Department of Military	7,263,332	363,167
Department of Public Safety	7,983,744	399,187
Department of Social Services	656,490,525	32,824,526
Department of Transportation	729,132	36,457
Governor's Office	3,148,360	157,418
Governor's Office of Economic Development	7,523,560	376,178
Legislature	15,509,407	775,470
Public Utilities Commission	763,394	38,170
School & Public Lands	903,717	45,186
Secretary of State	1,596,365	79,818
South Dakota Retirement System	-	-
State Auditor	1,937,695	96,885
State Treasurer	2,162,382	108,119
Tourism	-	-
Tribal Relations	896,969	44,848
Unified Judicial System	67,201,815	3,360,091
Veteran's Affairs	5,677,840	283,892
Total General Funds	2,462,985,115	123,149,256

⁷ This analysis is based on data from the state accounting system and the [FY26 appropriated budget in brief](#).

Other Information

Housing Data

The US Census reports building permits by state. The table below shows South Dakota data since 2020. One unit housing is attributable to single family housing, whereas two unit housing would be duplexes and other buildings with two separate occupants. Housing units of more than 5 likely are apartment buildings.⁸

New Privately Owned Housing Units Authorized						
	Total	1 Unit	2 Units	3 and 4 Units	5 Units or More	Num of Structures With 5 Units or More
2020	6,660	3,726	148	176	2,610	104
2021	7,917	4,324	144	274	3,175	172
2022	9,421	3,917	108	324	5,072	215
2023	7,072	3,252	170	277	3,373	147
2024	6,017	3,257	132	124	2,504	152
2025 est.	5,311	3,470	132	77	1,632	107

South Dakota's peak in building permits was in 2022 and has been gradually declining since then. Overall single-family homes are estimated to see growth in 2025 compared to the two previous years. Units of five or more have seen a sharp decline from the peak in 2022.

⁸ Source: US Census Bureau, Building Permits Survey (BPS), Permits by State

ITEMS OF NOTE:

This proposal is optional for each county, meaning the data below is for informational purposes only. The FY2024 Taxable Sales by County are ESTIMATES. The estimates were determined using the following data: FY2024 state sales and use tax, FY2024 municipal sales and use taxes, FY2024 special jurisdictions sales and use taxes, estimated FY2024 state sales tax on farm machinery, and population estimates for cities and counties in the state.

1. The taxable sales reported by each municipality were attributed to the county in which the municipality is located. In cases where a municipality overlaps multiple counties, the taxable amount is allocated using population estimates. *For example, municipal taxable sales for Sioux Falls are split between Minnehaha and Lincoln counties based on an estimate of the population of Sioux Falls that is located within Minnehaha (81%) and Lincoln (19%) counties, respectively.
2. The state and special jurisdiction taxable sales not associated with any municipality (Taxable – Rural) is calculated by taking the total state taxable sales plus the special jurisdiction (tribal) taxable sales less the municipal taxable sales and less the taxable sales from selected farm equipment licenses.
3. The Taxable – Rural amount is allocated based upon population estimates of counties (excluding population estimates of cities that impose a municipal tax).
4. Allocating taxable sales by population is an ESTIMATE because taxable sales may vary by location and the county where taxpayers are selling is not always known.
5. **The County Levy and Owner Occupied (OO) Taxes for County represent the total property tax levies for pay 2024 for property tax funds that are retained by the county.

COUNTY	TOTAL OWNER OCCUPIED TAXABLE VALUATION	COUNTY LEVY**	OWNER OCCUPIED PROPERTY TAXES FOR COUNTY	ESTIMATED FY2024 TAXABLE SALES - URBAN	ESTIMATED FY2024 TAXABLE SALES - RURAL	ESTIMATED 0.5% SALES TAX	0.5% SALES TAX as % of OO COUNTY PROPERTY TAXES
AURORA	\$99,650,668	1.937	\$193,023	\$31,585,383	\$31,795,119	\$316,903	164%
BEADLE	\$752,835,330	2.375	\$1,787,984	\$507,545,447	\$95,460,111	\$3,015,028	169%
BENNETT	\$50,773,253	5.779	\$293,419	\$33,518,338	\$59,852,567	\$466,855	159%
BON HOMME	\$238,503,815	3.085	\$735,784	\$75,422,014	\$57,634,883	\$665,284	90%
BROOKINGS	\$1,655,994,565	4.004	\$6,630,602	\$1,115,988,803	\$162,339,499	\$6,391,642	96%
BROWN	\$1,968,143,498	3.588	\$7,061,699	\$1,151,387,664	\$178,187,223	\$6,647,874	94%
BRULE	\$181,438,151	2.313	\$419,666	\$130,591,506	\$50,309,048	\$904,503	216%
BUFFALO	\$2,848,318	1.372	\$3,908	\$0	\$46,048,103	\$230,241	5892%
BUTTE	\$681,330,013	3.229	\$2,200,015	\$221,424,994	\$102,985,288	\$1,622,051	74%
CAMPBELL	\$51,047,573	2.536	\$129,457	\$26,278,929	\$16,719,847	\$214,994	166%
CHARLES MIX	\$293,953,398	3.112	\$914,783	\$133,896,208	\$135,054,503	\$1,344,754	147%
CLARK	\$188,739,196	2.963	\$559,234	\$41,018,096	\$61,272,882	\$511,455	91%
CLAY	\$537,474,255	6.318	\$3,395,601	\$286,135,424	\$70,268,210	\$1,782,018	52%
CODINGTON	\$1,981,965,328	2.666	\$5,283,920	\$1,084,887,371	\$117,014,012	\$6,009,507	114%
CORSON	\$19,708,592	1.974	\$38,905	\$13,339,292	\$76,896,346	\$451,178	1160%
CUSTER	\$1,154,952,593	2.107	\$2,433,485	\$141,801,005	\$165,254,882	\$1,535,279	63%
DAVISON	\$1,132,240,080	3.520	\$3,985,372	\$765,520,658	\$88,308,701	\$4,269,147	107%
DAY	\$316,457,696	3.194	\$1,010,766	\$85,482,910	\$64,362,690	\$749,228	74%
DEUEL	\$222,915,878	3.197	\$712,662	\$49,745,865	\$60,824,362	\$552,851	78%
DEWEY	\$31,794,846	3.043	\$96,752	\$40,581,972	\$94,787,330	\$676,847	700%
DOUGLAS	\$84,329,189	3.959	\$333,859	\$40,456,573	\$35,159,023	\$378,078	113%
EDMUNDS	\$192,776,714	2.456	\$473,460	\$47,517,657	\$55,815,883	\$516,668	109%
FALL RIVER	\$502,158,302	3.155	\$1,584,460	\$139,048,801	\$71,987,538	\$1,055,182	67%
FAULK	\$42,679,137	4.227	\$180,405	\$26,256,227	\$28,381,380	\$273,188	151%
GRANT	\$313,924,394	4.130	\$1,296,508	\$249,299,698	\$86,713,961	\$1,680,068	130%
GREGORY	\$130,803,824	3.697	\$483,582	\$75,734,494	\$44,229,104	\$599,818	124%

Appendix A

Supporting Data of the Homeowner Tax Relief Proposal

COUNTY	TOTAL OWNER OCCUPIED TAXABLE VALUATION	COUNTY LEVY**	OWNER OCCUPIED PROPERTY TAXES FOR COUNTY	ESTIMATED FY2024 TAXABLE SALES - URBAN	ESTIMATED FY2024 TAXABLE SALES - RURAL	ESTIMATED 0.5% SALES TAX	0.5% SALES TAX as % of OO COUNTY PROPERTY TAXES
HAAKON	\$59,993,988	2.514	\$150,825	\$39,205,101	\$24,444,367	\$318,247	211%
HAMLIN	\$409,086,559	2.071	\$847,218	\$124,066,388	\$84,097,592	\$1,040,820	123%
HAND	\$105,297,366	1.496	\$157,525	\$53,217,432	\$40,317,008	\$467,672	297%
HANSON	\$189,291,974	3.473	\$657,411	\$21,891,410	\$58,058,485	\$399,749	61%
HARDING	\$53,420,554	3.839	\$205,082	\$15,569,019	\$22,675,202	\$191,221	93%
HUGHES	\$1,181,123,180	2.661	\$3,142,969	\$553,338,103	\$81,381,551	\$3,173,598	101%
HUTCHINSON	\$312,916,028	3.235	\$1,012,283	\$117,551,448	\$78,167,154	\$978,593	97%
HYDE	\$34,534,152	1.861	\$64,268	\$28,584,115	\$14,053,642	\$213,189	332%
JACKSON	\$26,277,106	3.332	\$87,555	\$22,697,220	\$54,246,061	\$384,716	439%
JERAULD	\$57,827,580	2.402	\$138,902	\$44,001,533	\$15,548,710	\$297,751	214%
JONES	\$22,745,653	2.574	\$58,547	\$25,444,105	\$10,216,300	\$178,302	305%
KINGSBURY	\$278,365,336	2.489	\$692,851	\$91,298,746	\$57,236,198	\$742,675	107%
LAKE	\$930,773,003	2.270	\$2,112,855	\$260,060,446	\$112,503,889	\$1,862,822	88%
LAWRENCE	\$2,303,421,751	3.096	\$7,131,394	\$972,575,563	\$225,057,614	\$5,988,166	84%
LINCOLN *	\$6,913,015,962	1.946	\$13,452,729	\$2,363,242,334	\$244,942,022	\$13,040,922	97%
LYMAN	\$85,374,317	1.640	\$140,014	\$58,667,692	\$61,272,882	\$599,703	428%
MARSHALL	\$274,471,370	3.270	\$897,521	\$58,365,083	\$59,952,239	\$591,587	66%
MC COOK	\$314,526,448	3.378	\$1,062,470	\$61,609,680	\$66,954,142	\$642,819	61%
MC PHERSON	\$64,225,183	2.021	\$129,799	\$25,772,741	\$29,303,339	\$275,380	212%
MEADE	\$2,195,534,381	3.168	\$6,955,453	\$423,158,077	\$360,087,199	\$3,916,226	56%
MELLETTE	\$22,735,944	3.361	\$76,416	\$12,465,136	\$32,293,475	\$223,793	293%
MINER	\$88,035,165	3.949	\$347,651	\$31,744,829	\$30,424,640	\$310,847	89%
MINNEHAHA *	\$14,506,353,300	3.036	\$44,041,289	\$8,214,380,481	\$392,729,523	\$43,035,550	98%
MOODY	\$300,584,934	3.492	\$1,049,643	\$73,172,073	\$71,912,785	\$725,424	69%
OGLALA LAKOTA	\$5,779,660	5.009	\$28,952	\$0	\$335,941,846	\$1,679,709	5802%
PENNINGTON	\$8,824,378,883	3.714	\$32,773,743	\$4,388,949,917	\$619,307,124	\$25,041,285	76%
PERKINS	\$86,597,622	2.497	\$216,234	\$50,771,158	\$33,962,968	\$423,671	196%
POTTER	\$100,862,306	2.200	\$221,897	\$47,297,472	\$24,743,380	\$360,204	162%
ROBERTS	\$301,429,739	2.924	\$881,381	\$113,825,413	\$154,814,322	\$1,343,199	152%
SANBORN	\$89,408,945	3.187	\$284,946	\$18,018,464	\$36,529,502	\$272,740	96%
SPINK	\$223,514,598	1.775	\$396,738	\$89,283,274	\$76,871,428	\$830,774	209%
STANLEY	\$248,675,384	2.424	\$602,789	\$102,544,193	\$21,728,326	\$621,363	103%
SULLY	\$90,719,644	2.200	\$199,583	\$15,126,819	\$20,557,189	\$178,420	89%
TODD	\$14,276,657	3.713	\$53,009	\$32,380,126	\$202,133,234	\$1,172,567	2212%
TRIPP	\$155,139,095	2.995	\$464,642	\$109,099,738	\$56,812,595	\$829,562	179%
TURNER	\$644,024,071	3.210	\$2,067,317	\$102,299,812	\$97,279,110	\$997,895	48%
UNION	\$1,471,405,211	3.245	\$4,774,710	\$367,478,946	\$222,989,436	\$2,952,342	62%
WALWORTH	\$192,791,934	2.899	\$558,904	\$131,855,383	\$28,057,448	\$799,564	143%
YANKTON	\$1,303,689,223	3.191	\$4,160,072	\$652,420,621	\$178,162,305	\$4,152,915	100%
ZIEBACH	\$8,899,343	2.637	\$23,468	\$25,778,959	\$31,471,188	\$286,251	1220%
STATE SUMMARY	\$57,320,962,155		\$174,560,364	\$26,453,674,378	\$6,426,899,917	\$164,402,871	94%