

Minutes: Senate Taxation

Friday, January 16, 2026 10:00 AM

Roll Call

Present: Sen. Crabtree, Sen. Grove, Sen. Blanc, Sen. Davis, and Sen. Peterson (Sue)
Excused: Sen. Hulse and Sen. Hohn

The meeting was called to order by Senator Peterson (Sue)

SB 12 : provide for a refund of property taxes in previous years for qualifying veterans and surviving spouses.

Presented by: Ernie Otten, Self

Proponents: Jeremiah Schneider, South Department of Veteran Affairs
Larry Eliason, American Legion Department of South Dakota
Travis Lassetter, Lassetter

MOTION: DO PASS SB 12

Moved by: Davis
Second by: Crabtree
Action: Prevailed by Majority Members Elect (5-0-2-0)

Voting Yes: Crabtree, Grove, Blanc, Davis, and Peterson (Sue)

Excused: Hulse and Hohn

HAVING PASSED UNANIMOUSLY, THE CHAIR CERTIFIED SB 12 AS UNCONTESTED AND AS SUCH BE PLACED ON THE CONSENT CALENDAR.

MOTION: INTRODUCE A BILL AT THE REQUEST OF THE OFFICE OF THE GOVERNOR ENTITLED:

Draft 473 - An Act to authorize the imposition of a county option gross receipts tax to reduce owner - occupied property taxes.

Moved by: Crabtree
Second by: Grove
Action: Prevailed by Majority Members Elect (5-0-2-0)

Voting Yes: Crabtree, Grove, Blanc, Davis, and Peterson (Sue)

Excused: Hulse and Hohn

SB 19 : revise certain references to the Internal Revenue Code.

Proponents: Brandi Eckert, Department of Revenue

MOTION: DO PASS SB 19

Moved by: Crabtree
Second by: Grove
Action: Prevailed by Majority Members Elect (5-0-2-0)

Voting Yes: Crabtree, Grove, Blanc, Davis, and Peterson (Sue)

Excused: Hulse and Hohn

HAVING PASSED UNANIMOUSLY, THE CHAIR CERTIFIED SB 19 AS UNCONTESTED AND AS SUCH BE PLACED ON THE CONSENT CALENDAR.

SB 18 : repeal income modifications for the bank franchise tax pertaining to bad debts.

Proponents: Jason Evans, South Dakota Department of Revenue
Karlton Adam, South Dakota Bankers Association

MOTION: DO PASS SB 18

Moved by: Crabtree

Second by: Davis

Action: Prevailed by Majority Members Elect (5-0-2-0)

Voting Yes: Crabtree, Grove, Blanc, Davis, and Peterson (Sue)

Excused: Hulse and Hohn

HAVING PASSED UNANIMOUSLY, THE CHAIR CERTIFIED SB 18 AS UNCONTESTED AND AS SUCH BE PLACED ON THE CONSENT CALENDAR.

SB 7 : modify the tax rate on gold severed in this state.

Presented by: Senator Michael Rohl

MOTION: AMEND SB 7

7A

On page 1, line 1, of the Introduced bill, after "state" insert ", and to repeal an additional tax on gold severed in this state"

On page 1, after line 8, of the Introduced bill, insert: "

Section 2. That § 10-39-68 be REPEALED.

~~In addition to the tax imposed in § 10-39-43, there is hereby imposed an additional tax on each ounce of precious metals severed as follows:~~

- ~~(1) Four dollars per ounce of gold severed during a quarter if the average price of the precious metal is eight hundred dollars per ounce or greater;~~
- ~~(2) Three dollars per ounce of gold severed during a quarter if the average price of the precious metal is seven hundred dollars per ounce or greater;~~
- ~~(3) Two dollars per ounce of gold severed during a quarter if the average price of the precious metal is six hundred dollars per ounce or greater; and~~
- ~~(4) One dollar per ounce of gold severed during a quarter if the average price of the precious metal is five hundred dollars per ounce or greater.~~

~~The average price of gold shall be computed by summing the daily London Final price of the precious metal for each business day of the quarter and dividing by the number of business days in the quarter."~~

Moved by: Crabtree
Second by: Blanc
Action: Prevailed by voice vote

MOTION: AMEND SB 7

7B

On page 1, line 1, of the Introduced bill, delete " on" and insert " and tax distributions for"
On page 1, line 1, of the Introduced bill, after "state" insert ", and to create a new fund for rural water infrastructure projects"

On page 1, line 6, of the Introduced bill, delete " one" and insert " one-half"

On page 1, after line 8, of the Introduced bill, insert: "

Section 2. That § 10-39-54 be AMENDED:

10-39-54. The tax revenue collected by the secretary of the department pursuant to § 10-39-43 must be deposited into the general fund, up to a maximum amount of one million dollars in each year. The tax revenue collected pursuant to § 10-39-43, in excess of one million dollars a year, must be deposited into the rural water infrastructure fund established under section 3 of this Act.

All other taxes, interest, and penalties imposed and collected by the secretary of revenue under this chapter ~~shall~~ must be distributed as follows:

- (1) For persons severing precious metals that were in business in the state prior to January 1, 1981, all revenues collected ~~shall~~ must be deposited in the state treasury and credited to the general fund;
- (2) For persons permitted on or after January 1, 1981, for the purpose of severing precious metals, eighty percent of the revenues collected ~~shall~~ must be deposited in the state treasury and credited to the general fund, while the remaining twenty percent ~~shall~~ must be remitted by the secretary of revenue to the treasurer of the county in which the precious metals were severed. When the county has received a total of ~~one million five hundred thousand~~ one million five hundred thousand dollars ~~attributable to any person subject to the tax, all future in a year, the subsequent revenues attributable to that person shall collected in that year must~~ be deposited in the state treasury and credited to the general fund. No merger, consolidation or acquisition of a person subject to §§ 10-39-54 to 10-39-54.4, inclusive, by another such person shall limit the share of revenue due to the county from the person so acquired.

~~However, any~~ Any revenues attributed to the severance of precious metals from lands owned or controlled by the State of South Dakota ~~shall~~ must be deposited in the common school permanent fund."

On page 1, after line 8, of the Introduced bill, insert: "

Section 3. That a NEW SECTION be added to chapter 10-39:

There is created in the state treasury the rural water infrastructure fund. The fund consists of the moneys designated for deposit in the fund pursuant to § 10-39-54.

The Department of Agriculture and Natural Resources shall administer the fund. The purpose of the fund is to provide matching grants for rural water system infrastructure

projects in this state. Interest on moneys in the fund must remain in the fund.
Expenditures from the fund require a special appropriation. "

Moved by: Crabtree
Second by: Blanc
Action: Prevailed by voice vote

THE CHAIR DEFERRED SB 7

INFORMATIONAL BRIEFING

Presented by: Michael Houdyshell, Department of Revenue

MOTION: ADJOURN

Moved by: Peterson (Sue)
Second by: Crabtree
Action: Prevailed by voice vote

Amy Hansen, Committee Secretary

/s/ SUE PETERSON
Sue Peterson, Chair