



2026 South Dakota Legislature

Senate Bill 118

Introduced by: **Senator Crabtree**

1 **An Act to deposit certain tax revenues into a homeowner tax reduction fund.**

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

3 **Section 1. That a NEW SECTION be added to chapter 10-13:**

4 There is created in the state treasury the homeowner tax reduction fund. On or
 5 before January thirty-first of each year, the treasurer shall deposit in the fund, the greater
 6 of one hundred million dollars, or the applicable percent of taxes collected in the previous
 7 year pursuant to:

8 (1) Chapter 10-45;

9 (2) Chapter 10-46;

10 (3) Chapter 10-46E;

11 (4) Chapter 10-58; and

12 (5) § 32-5B-20.

13 The Department of Revenue shall administer the fund. The purpose of the fund is
 14 to provide a property tax rebate for owner-occupied single-family dwellings. Interest on
 15 moneys credited to the fund must remain in the fund. Expenditures from the fund must
 16 be budgeted through the general appropriation bill.

17 Moneys in the fund may not be transferred to the general fund.

18 For purposes of this section, "applicable percent" means three-tenths percent
 19 divided by the tax rate provided for the taxes referenced in subdivisions (1) to (5),
 20 inclusive, of this section, as applicable.

21 **Section 2. That § 10-46-48 be AMENDED:**

22 **10-46-48.** All revenue arising under the operation of this chapter shall
 23 immediately be turned over to the state treasurer and by him credited to the general fund,
 24 except as otherwise provided in section 1 of this Act.

1 **Section 3. That § 10-46E-9 be AMENDED:**

2 **10-46E-9.** The revenue from the tax imposed by this chapter shall be deposited
3 in the general fund, except as otherwise provided in section 1 of this Act.

4 **Section 4. That § 10-58-5 be AMENDED:**

5 **10-58-5.** The tax generated by this chapter must be deposited in the general fund,
6 except as otherwise provided in section 1 of this Act.

7 **Section 5.** This Act is effective beginning July 1, 2027.