



2026 South Dakota Legislature

Senate Bill 125

Introduced by: **Senator Deibert**

1 **An Act to establish the homeowner tax reduction fund to provide a tax rebate for**
 2 **owner-occupied property.**

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

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

5 There is created in the state treasury the homeowner tax reduction fund.

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

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

11 **Section 2. That a NEW SECTION be added to chapter 10-13:**

12 Prior to June thirtieth of each year, the secretary of the Department of Revenue
 13 shall calculate the maximum amount of tax rebate to which each owner of owner-occupied
 14 property is entitled for the current tax year, using the following formula:

15 (1) Multiply two dollars by the number of property owners entitled to receive the tax
 16 rebate;

17 (2) Subtract the resulting amount in subdivision (1) from the total amount of moneys
 18 appropriated from the homeowner tax reduction fund for the current tax year;

19 (3) Divide the resulting amount in subdivision (2) by the number of property owners
 20 entitled to receive the tax rebate.

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

22 Prior to June thirtieth of each year, the secretary of the Department of Revenue
 23 shall mail, or electronically transmit, to each eligible property owner, a tax rebate equal
 24 to the lesser of:

- 1 (1) The resulting amount in subdivision (3) of section 2 of this Act; or
2 (2) The sum of all taxes levied on the owner-occupied single-family dwelling, for the
3 current tax year, in excess of two hundred fifty dollars.
4 Moneys in excess of the total distributions of tax rebates under this section, in a
5 year, must remain in the homeowner tax reduction fund or be used to defray the
6 administrative costs incurred by the implementation of the rebates. The amount used to
7 defray the administrative costs in any year must equal the resulting amount in subdivision
8 (1) of section 2 of this Act.