



2026 South Dakota Legislature

House Bill 1141

Introduced by: **Representative Goodwin**

1 **An Act to provide an additional means of determining the purchase price of a used**
 2 **motor vehicle acquired by gift or other transfer.**

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

4 **Section 1. That § 32-5B-4 be AMENDED:**

5 **32-5B-4.** For the purposes of this chapter, the purchase price is:

- 6 (1) For a new motor vehicle sale or lease, the total consideration whether received in
 7 money or otherwise. However, when a motor vehicle is taken in trade as a credit
 8 or part payment on a new motor vehicle, the credit or trade-in value allowed by
 9 the seller shall be deducted from the total consideration for the new motor vehicle
 10 to establish the purchase price;
- 11 (2) For a used motor vehicle sold or leased by a licensed motor vehicle dealer, the
 12 total consideration for the used motor vehicle whether received in money or
 13 otherwise. However, when a motor vehicle is taken in trade by the dealer as a
 14 credit or part payment on a used motor vehicle, the credit or trade-in value allowed
 15 by the dealer shall be deducted from the consideration so that the net consideration
 16 is established;
- 17 (3) For a used motor vehicle sold, leased, or transferred by any person other than a
 18 licensed motor vehicle dealer, the total consideration received in money or
 19 otherwise. However, when a motor vehicle is taken in trade as a credit or part
 20 payment on a used motor vehicle, the credit or trade-in value shall be deducted
 21 from the total consideration so that the net consideration is established. The
 22 purchaser and seller of the motor vehicle shall submit to the county treasurer a bill
 23 of sale, approved and supplied by the secretary. If a bill of sale is not submitted,
 24 the excise tax will be assessed on the retail value as stated in a nationally
 25 recognized dealers' guide as approved by the secretary ~~of revenue~~. If the excise
 26 tax is assessed on the retail value, the value of the motor vehicle taken in as credit

- 1 on trade-in shall be the retail value as stated in the nationally recognized dealers'
2 guide;
- 3 (4) For a new ~~or used~~ motor vehicle acquired by gift or other transfer for no or nominal
4 consideration, the manufacturers' suggested dealer list price ~~for new motor~~
5 ~~vehicles and for~~;
- 6 (5) For a used motor vehicle the vehicle acquired by gift or other transfer for no or
7 nominal consideration:
- 8 (a) The retail value stated in a nationally recognized dealers' guide approved
9 and furnished by the secretary of revenue; or
- 10 (b) The actual purchase price as documented by a bill of sale furnished by the
11 secretary;
- 12 ~~(5)(6)~~ For a motor vehicle manufactured by a person who registers it under the laws of
13 this state, the amount expended for materials, labor, and other properly allocable
14 costs of manufacture or in the absence of actual expenditures for the manufacture
15 of a part or all of the motor vehicle, the reasonable value of the completed motor
16 vehicle;
- 17 ~~(6)(7)~~ For a rebuilt motor vehicle, upon its initial registration and titling, the total
18 consideration for the salvage vehicle, whether received in money or otherwise, and
19 the total consideration for any assemblies, subassemblies, parts, or component
20 parts used;
- 21 ~~(7)(8)~~ For either a new or used motor vehicle, as defined by § 32-5B-21, which is a closed
22 lease, the total consideration whether received in money or otherwise. Total
23 consideration is all lease payments including cash, rebates, the net trade-in,
24 extended warranties, administrative fees, acquisition fees, or any other fees
25 assessed on the purchase of the vehicle. Total consideration does not include title
26 fees, registration fees, vehicle excise tax paid pursuant to §§ 32-5B-1, 32-5B-1.1,
27 and 32-5B-21 to 32-5B-24, inclusive, federal excise taxes attributable to the sale
28 of the vehicle to the owner or to the lease of the vehicle by the owner, insurance,
29 and refundable deposits;
- 30 ~~(8)(9)~~ For either a new or used motor vehicle, as defined by § 32-5B-21, which is leased,
31 and the terms of the lease are either not certain at the time the lease contract is
32 executed or the lease is open ended, the purchase price shall be the total
33 consideration whether received in money or otherwise. Total consideration includes
34 the purchase price of the vehicle, plus cash, rebates, the net trade-in, extended
35 warranties, administrative fees, acquisition fees, or any other fees assessed on the

1 purchase of the vehicle. Total consideration does not include title fees, registration
2 fees, vehicle excise tax paid pursuant to §§ 32-5B-1, 32-5B-1.1, and 32-5B-21 to
3 32-5B-24, inclusive, federal excise taxes attributable to the sale of the vehicle to
4 the owner or to the lease of the vehicle by the owner, insurance, and refundable
5 deposits.

6 **Section 2. That § 32-5B-21 be AMENDED:**

7 **32-5B-21.** The tax imposed by §§ 32-5B-1, 32-5B-1.1, ~~32-5B-4(7)~~ 32-5B-4(8),
8 and 32-5B-21 to 32-5B-24, inclusive, and calculated in the manner set out in § 32-5B-4
9 on the sale or use of leased vehicles subject to titling and registration applies to vehicles
10 with a gross vehicle weight ~~ratings~~ rating of less than sixteen thousand pounds or vehicles
11 defined in subdivision 32-9-3(3), including motorcycles and motorized bicycles. No
12 certificate of title may be issued until the tax is paid.

13 The county treasurer shall require every applicant for registration of a vehicle
14 subject to tax under §§ 32-5B-1, 32-5B-1.1, ~~32-5B-4(7)~~ 32-5B-4(8), and 32-5B-21 to 32-
15 5B-24, inclusive, to supply information as is deemed necessary as to the date of the lease
16 transaction, the lease price, and other information relative to the lease of the vehicle.

17 **Section 3. That § 32-5B-22 be AMENDED:**

18 **32-5B-22.** If the lease is terminated prior to the termination date contained in the
19 lease agreement, no refund may be allowed for tax previously paid under §§ 32-5B-1, 32-
20 5B-1.1, ~~32-5B-4(7)~~ 32-5B-4(8), and 32-5B-21 to 32-5B-24, inclusive.

21 **Section 4. That § 32-5B-24 be AMENDED:**

22 **32-5B-24.** If the motor vehicle lease tax has been paid on a qualifying lease under
23 §§ 32-5B-1, 32-5B-1.1, ~~32-5B-4(7)~~ 32-5B-4(8), and 32-5B-21 to 32-5B-24, inclusive,
24 and prior to the expiration of the lease, the vehicle subject to the lease is destroyed by
25 means such as fire, accident, or vandalism, to the extent that it constitutes a total loss of
26 the vehicle, a credit for motor vehicle lease tax paid for the period remaining on the
27 previous lease shall be allowed if another vehicle is substituted under the original lease or
28 a new lease is executed with the intent to replace the vehicle subject to the previous lease.
29 To initially qualify for the credit there must be a total loss of the vehicle subject to the
30 previous lease, a new lease must be executed or a vehicle must be substituted under the
31 original lease. To qualify for the credit, the new lease or substituted vehicle under the

- 1 original lease shall be executed by the same lessor and lessee, for lease of a vehicle of
- 2 the same or similar make, model, year, and options as the vehicle subject to the previous
- 3 lease, for the remaining lease period of the previous lease, and for the same lease price.
- 4 The lease shall contain the same lease terms as the previous lease.