

## 2026 South Dakota Legislature

**Senate Bill 125****AMENDMENT 125B  
FOR THE INTRODUCED BILL**

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~~ 10-13:**

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~~ relief for owner-occupied single-family dwellings. Interest  
8 on 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.~~