

## 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.