



2026 South Dakota Legislature

House Bill 1261

Introduced by: **Representative Hansen**

1 **An Act to provide a tax credit for owner-occupied property, to make an appropriation**
2 **therefor, and to transfer moneys to the general fund.**

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

4 **Section 1.** The state treasurer shall transfer \$60,000,000 from the South Dakota housing
5 infrastructure fund to the general fund.

6 **Section 2.** There is appropriated \$60,000,000 from the general fund and \$60,000,000 from
7 the budget reserve fund, to the Department of Revenue, for replacing the revenue forgone
8 by the application of a property tax credit to owner-occupied single-family dwellings, as
9 provided in section 3 of this Act.

10 **Section 3.** For property taxes payable in 2027, a county treasurer shall apply a tax credit to
11 each tax bill sent, pursuant to § 10-21-1.1, to an owner of an owner-occupied single-family
12 dwelling. The amount of the tax credit is the lesser of five hundred dollars or the total amount
13 of property tax imposed on the owner-occupied single-family dwelling in 2027.

14 **Section 4.** The secretary of the Department of Revenue shall approve vouchers and the state
15 auditor shall draw warrants to pay expenditures authorized in this Act.

16 **Section 5.** Any amounts appropriated in this Act not lawfully expended or obligated shall
17 revert in accordance with the procedures prescribed in chapter 4-8.