



2026 South Dakota Legislature

Senate Joint Resolution 507

Introduced by: **Senator Hulse**

1 **A JOINT RESOLUTION proposing and submitting to the voters at the next general**
 2 **election, an amendment to state law to reduce certain property taxes for**
 3 **owner-occupied property, and to increase the rates for certain gross receipts**
 4 **taxes and use taxes.**

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

6 **Section 1.** That at the next general election held in the state, the following amendments to
 7 state law as set forth in this Act, which is hereby agreed to, be submitted to the electors of
 8 the state for approval.

9 **Section 2. That § 10-12-42 be AMENDED:**

10 **10-12-42.** For taxes payable in ~~2026~~ 2027, and each year thereafter, the
 11 maximum levy for the general fund of a school district is as follows:

12 (1) The maximum ~~tax~~ mill levy is five dollars and twenty-one and one-tenth cents per
 13 thousand dollars of taxable valuation, subject to the limitations on agricultural
 14 property as provided in subdivision (2) ~~of this section~~ and owner-occupied property
 15 as provided in subdivision (3) ~~of this section~~;

16 (2) The maximum ~~tax~~ mill levy on agricultural property for the school district is one
 17 dollar and twelve and five-tenths cents per thousand dollars of taxable valuation.
 18 If the district's levies are less than the maximum mill levies as stated in this section,
 19 the mill levies imposed in subdivision (1) and this subdivision must maintain the
 20 same proportion to each other as represented in the mathematical relationship at
 21 the maximum mill levies; and

22 (3) The maximum ~~tax~~ mill levy for an owner-occupied single-family dwelling pursuant
 23 to § 10-13-40 for the school district is ~~two~~ zero dollars and ~~fifty one and eight~~
 24 ~~tenths~~ zero cents per thousand dollars of taxable valuation. ~~If the district's levies~~
 25 ~~are less than the maximum levies as stated in this section, the levies must maintain~~

1 the same proportion to each other as represented in the mathematical relationship
 2 at the maximum levies.

3 All levies in this section must be imposed on valuations where the median level of
 4 assessment represents eighty-five percent of market value as determined by the
 5 Department of Revenue. These valuations must be used for all school funding purposes.
 6 If the district has imposed an excess levy pursuant to § 10-12-43, the levies must
 7 maintain the same proportion to each other as represented in the mathematical
 8 relationship at the maximum levies in this section. The school district may elect to tax at
 9 less than the maximum amounts set forth in this section.

10 **Section 3. That § 10-45-2 be AMENDED:**

11 **10-45-2.** There is hereby imposed a tax upon the privilege of engaging in business
 12 as a retailer, a tax of ~~four and two tenths~~ five percent upon the gross receipts of all sales
 13 of tangible personal property consisting of goods, wares, or merchandise, except as
 14 otherwise provided in this chapter, sold at retail in the state to consumers or users.

15 **Section 4. That § 10-45-5 be AMENDED:**

16 **10-45-5.** There is imposed a tax, at the rate of ~~four and two tenths percent~~ set
 17 forth in § 10-45-2, upon the gross receipts of any person from engaging or continuing in
 18 any of the following businesses or services in this state: ~~abstracters~~

- 19 (1) ~~Abstracters~~;
- 20 (2) ~~accountants~~ Accountants;
- 21 (3) ~~ancillary~~ Ancillary services;
- 22 (4) ~~architects~~ Architects;
- 23 (5) ~~barbers~~ Barbers;
- 24 (6) ~~beauty~~ Beauty shops;
- 25 (7) ~~bill~~ Bill collection services;
- 26 (8) ~~blacksmith~~ Blacksmith shops;
- 27 (9) ~~car~~ Car washing;
- 28 (10) ~~dry~~ Dry cleaning;
- 29 (11) ~~dyeing~~ Dyeing;
- 30 (12) ~~exterminators~~ Exterminators;
- 31 (13) ~~garage~~ Garage and service stations;
- 32 (14) ~~garment~~ Garment alteration;
- 33 (15) ~~cleaning~~ Cleaning and pressing;

- 1 (16) ~~janitorial~~Janitorial services and supplies;
- 2 (17) ~~specialty~~Specialty cleaners;
- 3 (18) ~~laundry~~Laundry;
- 4 (19) ~~linen~~Linen and towel supply;
- 5 (20) ~~membership~~Membership or entrance fees for the use of a facility or for the
- 6 right to purchase tangible personal property, any product transferred electronically, or
- 7 services;
- 8 (21) ~~photography~~Photography;
- 9 (22) ~~photo~~Photo developing and enlarging;
- 10 (23) ~~tire~~Tire recapping;
- 11 (24) ~~welding~~Welding and all repair services, except repair services for farm
- 12 machinery, attachment units, and irrigation equipment used exclusively for agricultural
- 13 purposes;
- 14 (25) ~~cable~~Cable television; and
- 15 (26) ~~rentals~~Rentals of tangible personal property, except leases of tangible
- 16 personal property between one telephone company and another telephone company,
- 17 motor vehicles as defined pursuant to § 32-5-1 leased under a single contract for more
- 18 than twenty-eight days, and mobile homes. ~~However, the~~
- 19 The specific enumeration of businesses and professions made in this section does
- 20 not, in any way, limit the scope and effect of the provisions of § 10-45-4.

21 **Section 5. That § 10-45-5.3 be AMENDED:**

22 **10-45-5.3.** There is imposed, at the rate ~~of four and two-tenths percent~~ set forth

23 in § 10-45-2, an excise tax on the gross receipts of any person engaging in oil and gas

24 field services ~~(, group no. 138),~~ as enumerated in the Standard Industrial Classification

25 Manual, 1987, as prepared by the Statistical Policy Division of the Office of Management

26 and Budget, Office of the President.

27 **Section 6. That § 10-45-6 be AMENDED:**

28 **10-45-6.** There is ~~hereby~~ imposed a tax ~~of four and two-tenths percent,~~ at the

29 rate set forth in § 10-45-2, upon the gross receipts from sales, furnishing, or service of

30 gas, electricity, and water, including the gross receipts from ~~such~~ the sales by any

31 municipal corporation furnishing gas, and electricity, to the public in its proprietary

32 capacity, except as otherwise provided in this chapter, when sold at retail in ~~the State of~~

33 ~~South Dakota~~ this state to consumers or users.

1 **Section 7. That § 10-45-6.1 be AMENDED:**

2 **10-45-6.1.** Except as provided in § 10-45-6.2, there is ~~hereby~~ imposed a tax ~~of~~
3 ~~four and two tenths percent, at the rate set forth in § 10-45-2,~~ upon the gross receipts
4 from providing any intrastate, interstate, or international telecommunications service that
5 originates or terminates in this state and that is billed or charged to a service address in
6 this state, or that both originates and terminates in this state. However, the tax imposed
7 by this section does not apply to:

- 8 (1) Any eight hundred or eight hundred-type service, unless the service both originates
9 and terminates in this state;
- 10 (2) Any sale of a telecommunication service to a provider of telecommunication
11 services, including access service, for use in providing any telecommunication
12 service; or
- 13 (3) Any sale of interstate telecommunication service provided to a call center that has
14 been certified by the secretary of revenue to meet the criterion established in § 10-
15 45-6.3 and the call center has provided to the telecommunications service provider
16 an exemption certificate issued by the secretary indicating that it meets the
17 criterion.

18 If a call center uses an exemption certificate to purchase services not meeting the
19 criterion established in § 10-45-6.3, the call center is liable for the applicable tax, penalty,
20 and interest.

21 **Section 8. That § 10-45-6.2 be AMENDED:**

22 **10-45-6.2.** There is ~~hereby~~ imposed a tax ~~of four and two tenths percent, at the~~
23 ~~rate set forth in § 10-45-2,~~ upon the gross receipts of mobile telecommunications services,
24 as defined in 4 U.S.C. § 124(7) ~~as of~~ (January 1, 2002), that originate and terminate in
25 the same state and are billed to a customer with a place of primary use in this state or
26 are deemed to have originated or been received in this state and to be billed or charged
27 to a service address in this state if the customer's place of primary use is located in this
28 state regardless of where the service actually originates or terminates. Notwithstanding
29 any other provision of this chapter and for purposes of the tax imposed by this section,
30 the tax imposed upon mobile telecommunication services must be administered in
31 accordance with 4 U.S.C. §§ 116 ~~to 126, as in effect on,~~ inclusive, (July 28, 2000).

32 **Section 9. That § 10-45-8 be AMENDED:**

1 **10-45-8.** Except as otherwise provided in this chapter, there is imposed a tax ~~of~~
2 ~~four and two tenths percent, at the rate set forth in § 10-45-2,~~ upon the gross receipts
3 from all sales of tickets or admissions to:

- 4 (1) Places of amusement;
5 (2) Athletic contests; or
6 (3) Events.

7 **Section 10. That § 10-45-71 be AMENDED:**

8 **10-45-71.** There is imposed a tax ~~of four and two tenths percent on,~~ at the rate
9 set forth in § 10-45-2, on the gross receipts from the transportation of passengers. The
10 tax imposed by this section applies to any transportation of passengers if the passenger
11 boards and exits the mode of transportation within this state.

12 **Section 11. That § 10-46-2.1 be AMENDED:**

13 **10-46-2.1.** For the privilege of using services in ~~South Dakota~~ this state, except
14 those types of services exempted by § 10-46-17.3, there is imposed on the person using
15 the service an excise tax equal to ~~four and two tenths~~ five percent of the value of the
16 services at the time they are rendered.

17 ~~However, this~~ This tax may not be imposed on any service rendered by a related
18 corporation, ~~as defined in subdivision 10-43-1(11),~~ for use by a financial institution, as
19 defined in ~~subdivision 10-43-1(4)~~ § 10-43-1; or on any service rendered by a financial
20 institution, as defined in ~~subdivision 10-43-1(4)~~ § 10-43-1, for use by a related
21 corporation ~~as defined in subdivision 10-43-1(11).~~

22 For the purposes of this section, ~~the term,~~ "related corporation," ~~includes a~~ means
23 a corporation associated with another as its parent or subsidiary, or in a brother-sister
24 relationship. The term includes a corporation, which together with the financial institution,
25 is part of a controlled group of corporations, as defined in 26 U.S.C. § 1563 ~~as in effect~~
26 ~~on~~ (January 1, 1989), except that the eighty percent ownership requirements set forth in
27 26 U.S.C. ~~§ 563(a)(2)(A)~~ § 1563(a) for a brother-sister controlled group are reduced to
28 fifty-one percent.

29 For the purpose of this chapter, services rendered by an employee for the use of
30 the employer are not taxable.

31 **Section 12. That § 10-46-2.2 be AMENDED:**

1 **10-46-2.2.** An excise tax is imposed upon the privilege of the use of rented
2 tangible personal property and any product transferred electronically in this state, at the
3 rate of ~~four and two tenths percent of~~ set forth in § 10-46-2.1, on the rental payments
4 upon the property.

5 **Section 13. That § 10-46-48 be AMENDED:**

6 **10-46-48.** ~~All revenue arising under the operation of~~ Except as otherwise
7 provided, revenue collected pursuant to this chapter shall immediately must be turned
8 over to the state treasurer and ~~by him credited to~~ deposited in the general fund.

9 The treasurer shall deposit in the local effort replacement fund, established in
10 section 25 of this Act, sixteen percent of the taxes collected by the secretary of the
11 Department of Revenue pursuant to this chapter.

12 **Section 14. That § 10-46-58 be AMENDED:**

13 **10-46-58.** There is imposed a tax ~~of four and two tenths percent on,~~ at the rate
14 set forth in § 10-46-2.1, upon the privilege of the use of any transportation of passengers.
15 The tax imposed by this section applies to any transportation of passengers if the
16 passenger boards and exits the mode of transportation within this state.

17 **Section 15. That § 10-46-69 be AMENDED:**

18 **10-46-69.** There is ~~hereby~~ imposed a tax ~~of four and two tenths percent,~~ at the
19 rate set forth in § 10-46-2.1, upon the privilege of the use of mobile telecommunications
20 services, as defined in 4 U.S.C. § 124(7) ~~as of~~ (January 1, 2002), that originate and
21 terminate in the same state and are billed to a customer with a place of primary use in
22 this state. Notwithstanding any other provision of this chapter and for purposes of the tax
23 imposed by this section, the tax imposed upon mobile telecommunication services must
24 be administered in accordance with 4 U.S.C. §§ 116-126, ~~as in effect on~~ (July 28, 2000).

25 **Section 16. That § 10-46-69.1 be AMENDED:**

26 **10-46-69.1.** Except as provided in § 10-46-69, there is ~~hereby~~ imposed a tax ~~of~~
27 ~~four and two tenths percent,~~ at the rate set forth in § 10-46-2.1, upon the privilege of the
28 use of any intrastate, interstate, or international telecommunications service that
29 originates or terminates in this state and that is billed or charged to a service address in

1 this state, or that both originates and terminates in this state. ~~However, the~~ The tax
 2 imposed by this section does not apply to:

- 3 (1) Any eight hundred or eight hundred type service unless the service both originates
 4 and terminates in this state;
- 5 (2) Any sale of a telecommunication service to a provider of telecommunication
 6 services, including access service, for use in providing any telecommunication
 7 service; or
- 8 (3) Any sale of interstate telecommunication service provided to a call center that has
 9 been certified by the secretary of revenue to meet the criterion established in § 10-
 10 45-6.3 and the call center has provided to the telecommunications service provider
 11 an exemption certificate issued by the secretary indicating that it meets the
 12 criterion.

13 If a call center uses an exemption certificate to purchase services not meeting the
 14 criterion established in § 10-45-6.3, the call center is liable for the applicable tax, penalty,
 15 and interest.

16 **Section 17. That § 10-46-69.2 be AMENDED:**

17 **10-46-69.2.** There is hereby imposed a tax ~~of four and two-tenths percent, at the~~
 18 rate set forth in § 10-46-2.1, upon the privilege of the use of any ancillary services.

19 **Section 18. That § 10-46E-1 be AMENDED:**

20 **10-46E-1.** There is ~~hereby~~ imposed an excise tax ~~of four and two-tenths~~ five
 21 percent on the gross receipts from the sale, resale, or lease of farm machinery, attachment
 22 units, and irrigation equipment used exclusively for agricultural purposes.

23 ~~However, if~~ If any trade-in or exchange of used farm machinery, attachment units,
 24 and irrigation equipment is involved in the transaction, the excise tax is only due and may
 25 only be collected on the cash difference.

26 **Section 19. That § 10-46E-9 be AMENDED:**

27 **10-46E-9.** ~~The~~ Except as otherwise provided, revenue from the tax imposed by
 28 this chapter ~~shall~~ must be deposited in the general fund.

29 The treasurer shall deposit in the local effort replacement fund, established in
 30 section 25 of this Act, sixteen percent of the taxes collected by the secretary of the
 31 Department of Revenue pursuant to this chapter.

1 **Section 20. That § 10-58-1 be AMENDED:**

2 **10-58-1.** There is imposed upon owners and operators a special amusement
3 excise tax of ~~four and two tenths~~ five percent of the gross receipts from the sale or the
4 operation of any mechanical or electronic amusement device.

5 The tax imposed by this section is in lieu of the tax imposed pursuant to chapter
6 10-45.

7 **Section 21. That § 10-58-5 be AMENDED:**

8 **10-58-5.** ~~The~~ Except as otherwise provided, the tax generated by this chapter
9 must be deposited in the general fund.

10 The treasurer shall deposit in the local effort replacement fund, established in
11 section 25 of this Act, sixteen percent of the taxes collected by the secretary of the
12 Department of Revenue pursuant to this chapter.

13 **Section 22. That § 13-13-71 be AMENDED:**

14 **13-13-71.** If local effort increases on a statewide aggregate basis by a greater
15 percentage than local need on a statewide aggregate basis from any one year to the next,
16 for the following year each of the mill levies specified in ~~subdivision 13-13-10.1(13)~~ shall
17 subdivisions 10-12-42(1) and (2) must be reduced proportionally so that the percentage
18 increase in local effort on a statewide aggregate basis equals the percentage increase in
19 need on a statewide aggregate basis.

20 **Section 23. That § 13-13-72 be AMENDED:**

21 **13-13-72.** ~~It is the policy of the Legislature that~~ In 2028 and each year thereafter,
22 the appropriation for state aid to education must increase on an annual basis by the
23 percentage increase in local need on an aggregate statewide basis so that the relative
24 proportion of local need paid by local effort and state aid ~~shall remain~~ remains constant.
25 ~~For school fiscal years 2017 to 2022, inclusive, the proportion of local need paid by local~~
26 ~~effort and state aid shall be adjusted annually to maintain the proportion between state~~
27 ~~aid and local property taxes and to reflect adjustments in local effort due to the~~
28 ~~implementation of the other revenue base amount as defined in § 13-13-10.1.~~

29 **Section 24. That § 13-13-72.1 be AMENDED:**

1 **13-13-72.1.** ~~Any adjustments~~ In 2028 and each year thereafter, any adjustment
 2 in the levies specified in § 10-12-42 made pursuant to ~~§§ 13-13-71 and § 13-13-72 shall~~
 3 ~~be based on maintaining~~ must maintain the relationship between statewide local effort as
 4 a percentage of statewide local need in the fiscal year succeeding the fiscal year in which
 5 the adjustment is made. ~~For school fiscal years 2017 to 2022, inclusive, the proportion of~~
 6 ~~local need paid by local effort and state aid shall be adjusted annually to reflect~~
 7 ~~adjustments in local effort due to the implementation of the other revenue base amount~~
 8 ~~as defined in § 13-13-10.1. However, if~~ If the levies specified in § 10-12-42 are not
 9 adjusted to maintain this relationship, the target teacher salary as defined in § 13-13-
 10 ~~10.1 shall be,~~ must be reduced to maintain the relationship ~~between~~ for statewide local
 11 effort as a percentage of statewide local need.

12 **Section 25. That a NEW SECTION be added to chapter 13-13:**

13 There is created in the state treasury the local effort replacement fund. The
 14 treasurer shall deposit in the fund sixteen percent of the taxes collected pursuant to:
 15 (1) Chapter 10-45;
 16 (2) Chapter 10-46;
 17 (3) Chapter 10-46E; and
 18 (4) Chapter 10-58.

19 The Department of Education shall administer the fund. The purpose of the fund is
 20 to supplement property tax local effort for school district general funds and special
 21 education funds with state revenue. Interest on moneys credited to the fund must remain
 22 in the fund. Expenditures from the fund must be budgeted through the general
 23 appropriation bill.

24 **Section 26. That § 13-37-16 be AMENDED:**

25 **13-37-16.** For taxes payable in ~~2026~~ 2027, and each year thereafter, the school
 26 board ~~shall may~~ may levy no more than one dollar and forty-six and two-tenths cents per
 27 thousand dollars of taxable valuation of property classified for purposes of taxation as
 28 agricultural property and nonagricultural property, as a special levy in addition to all other
 29 levies authorized by law for the amount so determined to be necessary, and the levy must
 30 be spread against all of the taxable property of the district not classified as owner-occupied
 31 single-family dwellings, as defined in § 10-13-39. The proceeds derived from the levy
 32 constitute a school district special education fund of the district for the payment of costs
 33 for the special education of all children in need of special education or special education

1 and related services, who reside within the district, pursuant to the provisions of §§ 13-
2 37-8.4 to 13-37-8.10, inclusive.

3 The levy in this section is based on valuations where the median level of
4 assessment represents eighty-five percent of market value as determined by the
5 Department of Revenue. The total amount of taxes that would be generated at the levy
6 pursuant to this section is considered local effort. Money in the special education fund may
7 be expended for the purchase or lease of any assistive technology that is directly related
8 to special education and specified in a student's individualized education plan. This section
9 does not apply to real property improvements.

10 **Section 27. That § 13-37-35.1 be AMENDED:**

11 **13-37-35.1.** Terms used in chapter 13-37 mean:

- 12 (1) "Level one disability," a mild disability;
- 13 (2) "Level two disability," cognitive disability or emotional disorder;
- 14 (3) "Level three disability," hearing impairment, deafness, visual impairment, deaf-
15 blindness, orthopedic impairment, or traumatic brain injury;
- 16 (4) "Level four disability," autism;
- 17 (5) "Level five disability," multiple disabilities;
- 18 (5A) "Level six disability," prolonged assistance;
- 19 (6) "Index factor," is the annual percentage change in the consumer price index for
20 urban wage earners and clerical workers as computed by the Bureau of Labor
21 Statistics of the United States Department of Labor for the year before the year
22 immediately preceding the year of adjustment, or three percent, whichever is less;
- 23 (7) "Local effort," ~~must be an amount~~ calculated for taxes payable in 2026 2027 and
24 ~~thereafter using a the maximum special education levy of one dollar and twenty-~~
25 ~~six and two tenths cents per one thousand dollars of valuation set forth in § 13-~~
26 ~~37-16, imposed on the taxable valuation of property classified for purposes of~~
27 taxation as agricultural property and nonagricultural property;
- 28 (8) "Allocation for a student with a level one disability," for the school fiscal year
29 beginning July 1, 2025, is \$7,650.45. For each school year thereafter, the allocation
30 for a student with a level one disability must be the previous fiscal year's allocation
31 for the child increased by the index factor;
- 32 (9) "Allocation for a student with a level two disability," for the school fiscal year
33 beginning July 1, 2025, is \$16,759.91. For each school year thereafter, the

- 1 allocation for a student with a level two disability must be the previous fiscal year's
2 allocation for the child increased by the index factor;
- 3 (10) "Allocation for a student with a level three disability," for the school fiscal year
4 beginning July 1, 2025, is \$23,139.68. For each school year thereafter, the
5 allocation for a student with a level three disability must be the previous fiscal
6 year's allocation for the child increased by the index factor;
- 7 (11) "Allocation for a student with a level four disability," for the school fiscal year
8 beginning July 1, 2025, is \$18,053.89. For each school year thereafter, the
9 allocation for a student with a level four disability must be the previous fiscal year's
10 allocation for the child increased by the index factor;
- 11 (12) "Allocation for a student with a level five disability," for the school fiscal year
12 beginning July 1, 2025, is \$37,039.28. For each school year thereafter, the
13 allocation for a student with a level five disability must be the previous fiscal year's
14 allocation for the child increased by the index factor;
- 15 (12A) "Allocation for a student with a level six disability," for the school fiscal year
16 beginning July 1, 2025, is \$11,838.15. For each school year thereafter, the
17 allocation for a student with a level six disability must be the previous fiscal year's
18 allocation for the child increased by the index factor;
- 19 (13) "Child count," is the number of students in need of special education or special
20 education and related services according to criteria set forth in rules promulgated
21 pursuant to §§ 13-37-1.1 and 13-37-46 submitted to the Department of Education;
- 22 (14) "Fall enrollment," the number of kindergarten-through-twelfth-grade students
23 enrolled in all schools operated by the school district on the last Friday of
24 September of the previous school year minus the number of students for whom
25 the district receives tuition, except any nonresident student who is in the care and
26 custody of a state agency and is attending a public school and any student for
27 whom tuition is being paid pursuant to § 13-28-42.1, plus the number of students
28 for whom the district pays tuition;
- 29 (15) "Nonpublic school," a sectarian organization or entity accredited by the secretary of
30 education for the purpose of instructing children of compulsory school age. This
31 definition excludes any school that receives a majority of its revenues from public
32 funds;
- 33 (16) "Nonpublic fall enrollment," the number of children under age eighteen, who are
34 approved for alternative instruction pursuant to § 13-27-3 on the last Friday of
35 September of the previous school year plus:

- 1 (a) For nonpublic schools located within the boundaries of a public school
2 district with a fall enrollment of six hundred or more on the last Friday of
3 September of the previous school year, the number of kindergarten-
4 through-twelfth-grade students enrolled on the last Friday of September of
5 the previous regular school year in all nonpublic schools located within the
6 boundaries of the public school district;
- 7 (b) For nonpublic schools located within the boundaries of a public school
8 district with a fall enrollment of less than six hundred on the last Friday of
9 September of the previous school year, the number of resident
10 kindergarten-through-twelfth-grade students enrolled on the last Friday of
11 September of the previous school year in all nonpublic schools located
12 within this state;
- 13 (17) "Special education fall enrollment," fall enrollment plus nonpublic fall enrollment;
- 14 (18) "Local need," an amount to be determined as follows:
- 15 (a) Multiply the special education fall enrollment by 0.1062 and multiply the
16 result by the allocation for a student with a level one disability;
- 17 (b) Multiply the number of students having a level two disability as reported on
18 the child count for the previous school fiscal year by the allocation for a
19 student with a level two disability;
- 20 (c) Multiply the number of students having a level three disability as reported
21 on the child count for the previous school fiscal year by the allocation for a
22 student with a level three disability;
- 23 (d) Multiply the number of students having a level four disability as reported on
24 the child count for the previous school fiscal year by the allocation for a
25 student with a level four disability;
- 26 (e) Multiply the number of students having a level five disability as reported on
27 the child count for the previous school fiscal year by the allocation for a
28 student with a level five disability;
- 29 (f) Multiply the number of students having a level six disability as reported on
30 the child count for the previous school fiscal year by the allocation for a
31 student with a level six disability;
- 32 (g) When calculating local need at the statewide level, include the amount set
33 aside for extraordinary expenses defined in § 13-37-40;
- 34 (h) When calculating local need at the statewide level, include the amount set
35 aside for the South Dakota School for the Blind and Visually Impaired; and

- 1 (i) Sum the results of subdivisions (18)(a) to (h), inclusive; and
2 (19) "Effort factor," the school district's special education tax levy in dollars per thousand
3 divided by \$1.262. The maximum effort factor is 1.0.

4 **Section 28. That § 32-5B-20 be AMENDED:**

5 **32-5B-20.** There is ~~hereby~~ imposed a tax of ~~four and two-tenths~~ five percent ~~upon~~
6 on the gross receipts of any person renting a rental vehicle as defined in § 32-5B-19.

7 ~~This~~ The tax applies to all vehicles registered in accordance with § 32-5-6, 32-5-
8 8.1, or 32-5-9. Any rental vehicle not licensed in accordance with § 32-5-6, 32-5-8.1, or
9 32-5-9 is subject to the motor vehicle excise tax in § 32-5B-1.

10 The tax imposed by this section is in addition to any tax levied pursuant to chapter
11 10-45 or 10-46 upon the rental of a rental vehicle. The provisions of chapter 10-45 apply
12 to the administration and enforcement of the tax imposed by this section.

13 The tax imposed by this section is in lieu of the tax levied by § 32-5B-1 on the
14 sales of ~~such~~ motor vehicles. A violation of this section is a Class 1 misdemeanor.

15 **Section 29. That 2023 Session Laws, chapter 32, § 19 be REPEALED:**

16 ~~**Section 30.** The amendments to the Code sections in sections 1 to 17, inclusive,~~
17 ~~of this Act are repealed on June 30, 2027, and those Code sections will revert in word and~~
18 ~~substance to that which existed immediately prior to the effective date of this Act.~~

19 **Section 31.** Sections 3 to 21, inclusive, section 25, and section 28 of this Act are effective
20 beginning January 1, 2027.