



## 2026 South Dakota Legislature

# Senate Bill 239

Introduced by: **Senator Schoenfish**

1 **An Act to modify provisions relating to the reinvestment payment program, and**  
 2 **relating to the purchasing of goods and services used by projects approved**  
 3 **for the reinvestment payment program.**

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

5 **Section 1. That § 1-16G-61 be AMENDED:**

6 **1-16G-61.** Any person that has timely filed the application described in § 1-16G-  
 7 58 and is holding a permit issued by GOED pursuant to § 1-16G-60, and has completed  
 8 the project, shall file an affidavit for reinvestment payment with GOED.

9 The affidavit for reinvestment payment ~~shall~~ must contain the following  
 10 information:

- 11 (1) The project owner's name and contact information;
- 12 (2) The general description of the project;
- 13 (3) The date of completion of the project;
- 14 (4) The final project costs;
- 15 (5) The amount of South Dakota sales tax, use tax, and contractors excise tax paid for  
 16 the construction of the project;
- 17 (6) The location of the project;
- 18 (7) The legal description of the project location;
- 19 (8) A list of the contractors and subcontractors that performed work on the project;
- 20 (9) If the reinvestment payment was assigned or transferred, the name and address  
 21 of the person to whom the reinvestment payment has been assigned or  
 22 transferred; and
- 23 (10) Any other information that GOED may require.

24 The affidavit for reinvestment payment ~~shall~~ must be on a form prescribed by the  
 25 commissioner. The affidavit for reinvestment payment ~~shall~~ must be signed by the project

1 owner and signed under oath before a notary public. No affidavit for reinvestment payment  
2 may include more than one project.

3 Upon approval by GOED of an affidavit submitted under this section by a data  
4 center, the gross receipts from any purchase made for the data center are exempt from  
5 the provisions of chapters 10-45 and 10-46, and from the tax imposed by those chapters.

6 **Section 2. That § 1-16G-62 be AMENDED:**

7 **1-16G-62.** The affidavit for reinvestment payment as required by § 1-16G-61 ~~shall~~  
8 must be filed ~~no later than six months after the completion of the project on or before~~  
9 June thirtieth of each year. If the affidavit for reinvestment payment is not timely filed,  
10 the person is ineligible for any future reinvestment payment provided by §§ 1-16G-56 to  
11 1-16G-68, inclusive. If the person filing the affidavit for reinvestment payment knowingly  
12 makes any material false statement or report in the affidavit for reinvestment payment,  
13 the person is ineligible for any future reinvestment payment provided by §§ 1-16G-56 to  
14 1-16G-68, inclusive.

15 No project costs that occur after three years from the construction date are eligible  
16 to be included in the final project cost determination for any reinvestment payment  
17 provided by §§ 1-16G-56 to 1-16G-68, inclusive, unless an extension is granted at the  
18 ~~sole discretion of the board, which extension may not extend beyond four years from the~~  
19 ~~construction date.~~

20 **Section 3. That § 1-16G-64 be AMENDED:**

21 **1-16G-64.** There is ~~hereby~~ created the reinvestment payment fund for the  
22 purpose of making ~~reinvestment payments pursuant to the provisions of §§ 1-16G-56 to~~  
23 ~~1-16G-68, inclusive, and~~ new frontiers payments pursuant to the provisions of §§ 1-16G-  
24 73 to 1-16G-84, inclusive.

25 ~~If the board approves a reinvestment payment pursuant to the provisions of §§ 1-~~  
26 ~~16G-56 to 1-16G-68, inclusive, the Department of Revenue shall deposit into the fund a~~  
27 ~~portion or all of the sales and use taxes paid by the project owner up to a maximum~~  
28 ~~amount of the reinvestment payment approved by the board.~~

29 If the board approves a new frontiers payment pursuant to the provisions of §§ 1-  
30 16G-73 to 1-16G-84, inclusive, the Department of Revenue ~~shall~~ must deposit into the  
31 fund a portion or all of the sales and use taxes paid by the program owner up to a  
32 maximum amount of the new frontiers payment approved by the board.

1           The funds in the reinvestment project fund are continuously appropriated to GOED  
2 to ~~make reinvestment payments pursuant to §§ 1-16G-56 to 1-16G-68, inclusive, and~~  
3 new frontiers payments pursuant to §§ 1-16G-73 to 1-16G-84, inclusive. If any money  
4 deposited in the fund and set aside for a specific ~~reinvestment payment or~~ new frontiers  
5 payment is in excess of the final ~~reinvestment or~~ new frontiers payment, ~~as applicable,~~ or  
6 the specific project or program becomes ineligible for the ~~reinvestment or~~ new frontiers  
7 payment, as applicable, ~~such the money shall must~~ be deposited into the general fund.  
8 Interest earned on money in the fund ~~shall~~ must be deposited into the general fund.

9       **Section 4. That a NEW SECTION be added to chapter 10-45:**

10           There are exempted from the provisions of this chapter, and the tax imposed by  
11 it, the gross receipts from a project approved for the reinvestment payment program  
12 under chapter 1-16G.

13       **Section 5. That a NEW SECTION be added to chapter 10-46:**

14           There are exempted from the provisions of this chapter, and the tax imposed by  
15 it, the gross receipts from a project approved for the reinvestment payment program  
16 under chapter 1-16G.

17       **Section 6. That § 1-16G-63 be REPEALED.**

18           ~~After the timely receipt of a completed affidavit for reinvestment payment, within~~  
19 ~~ninety days GOED shall make payment from the reinvestment fund to the project owner~~  
20 ~~based upon the amount and terms approved by the board as a reinvestment payment. If~~  
21 ~~GOED requests additional documents or information from the project owner, the ninety~~  
22 ~~day period begins to run from the date of receipt of the additional documents or~~  
23 ~~information. GOED shall tender the reinvestment payment by electronic funds transfer.~~