

2026 South Dakota Legislature

House Bill 1168**AMENDMENT 1168B
FOR THE INTRODUCED BILL**

1 **An Act to provide a property tax credit for the payment of nonpublic school tuition.**

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

3 **Section 1. That a NEW SECTION be added to chapter 10-13:**

4 An owner of property that is subject to taxation pursuant to chapter 10-4 may
5 receive a property tax credit to be applied toward the taxes levied on the property by the
6 school district in which the property is located. The reduction is based on education
7 expenses the owner has incurred for any child who is:

8 (1) At least five years old, but younger than nineteen years; and

9 (2) A kindergarten-through-twelfth-grade student in this state:

10 (a) — Enrolled enrolled in a nonpublic school; or

11 (b) — Receiving alternative instruction pursuant to § 13-27-3.

12 The child, for which education expenses are incurred, is not required to be a child
13 of the owner of the property for a tax credit to be received pursuant to this Act.

14 **Section 2. That a NEW SECTION be added to chapter 10-13:**

15 Incurred, Only nonpublic school tuition qualifies as an eligible education-expenses
16 expense for which a property tax credit may be received pursuant to this Act-are:

17 (1) Tuition;

18 (2) Fees for sports programs and fine arts programs;

19 (3) Textbooks, curricula, and instructional materials and supplies;

20 (4) Educational therapies or tutoring;

21 (5) Registration fees for:

22 (a) Nationally standardized achievement tests;

23 (b) Advanced placement tests;

24 (c) Tests related to postsecondary admission; and

25 (d) Conferences for educational purposes;

- 1 ~~(6) Transportation services between a student's residence and:~~
 2 ~~(a) The nonpublic school in which the student is enrolled;~~
 3 ~~(b) The institution of higher education at which the student is enrolled; and~~
 4 ~~(c) A location related to the education of the student; and~~
 5 ~~(7) Technological devices, instruments, and equipment necessary for the student~~
 6 ~~to participate in an educational curriculum or extracurricular activity.~~

7 **Section 3. That a NEW SECTION be added to chapter 10-13:**

8 The amount of the property tax credit received under this Act by any property
 9 owner in any year may not exceed the lesser of:

- 10 (1) Eighty percent of the total amount of school district taxes owed to that school
 11 district by the owner for that year; or
 12 (2) One thousand dollars.

13 The amount of property tax credits received by an individual property owner or by
 14 multiple property owners, pursuant to this Act, for incurred eligible education expenses,
 15 for any individual child in any year may not exceed the per student equivalent set forth in
 16 § 13-13-10.1.

17 **Section 4. That a NEW SECTION be added to chapter 10-13:**

18 To apply for a property tax credit pursuant to this Act, a property owner shall, prior
 19 to June first, submit an application to the county director of equalization.

20 The application must be on a form prescribed by the Department of Revenue. The
 21 application must:

- 22 (1) Include for each child on whose behalf eligible education expenses were incurred:
 23 (a) ~~The school enrollment information~~ or the name of the principal alternative
 24 instruction provider; and
 25 (b) ~~A description and documentation of each eligible education~~
 26 expense Verification of the tuition charges by each child's nonpublic school;
 27 and
 28 (2) Be verified by:
 29 ~~(a) The school in which each child is enrolled; or~~
 30 ~~(b) The principal provider of alternative instruction; and~~
 31 ~~(3) Be signed by the property owner, under penalty of perjury.~~

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

1 The property tax bill sent to each taxpayer pursuant to § 10-21-1.1 must reflect
2 any property tax credits received pursuant to this Act.

3 **Section 6. That a NEW SECTION be added to chapter 10-13:**

4 For purposes of determining local effort under chapters 13-13 and 13-37, a
5 property tax credit issued under this Act is deducted from the local effort in the district in
6 which the property is located.

7 **Section 7. That a NEW SECTION be added to chapter 10-13:**

8 The Department of Revenue shall promulgate rules, pursuant to chapter 1-26, to
9 specify the forms and procedures for filing and processing requests for property tax credits
10 under this Act and the documentation that is necessary to verify the eligible education
11 expenses.