



2026 South Dakota Legislature

House Bill 1254

HOUSE TAXATION ENGROSSED

Introduced by: Representative Heinemann

- 1 **An Act to exempt any soil amendment used exclusively for agricultural purposes**
2 **from sales tax, and to modify the definition of a soil amendment.**

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

4 **Section 1. That a NEW SECTION be added to chapter 10-45:**

5 There are specifically exempted from the provisions of this chapter and from the
6 computation of the amount of tax imposed by it, the gross receipts from the sale of any
7 soil amendment, as defined in § 38-19A-1, provided five hundred pounds or more of any
8 one of these products is sold in a single sale to be used exclusively for agricultural
9 purposes.

10 **Section 2. That § 38-19A-1 be AMENDED:**

- 11 **38-19A-1.** Terms as used in this chapter, unless the context otherwise requires,
12 shall mean:
- 13 (1) "Brand," any trademark, product name, or other specific designation under which
14 any individual soil amendment is offered for sale;
 - 15 (2) "Bulk," nonpackaged form;
 - 16 (3) "Distributing," importing, consigning, manufacturing, producing, compounding,
17 mixing or blending any soil amendment, or offering for sale, selling, bartering, or
18 otherwise supplying any soil amendment in this state;
 - 19 (4) "Distributor," any person who distributes any soil amendment in this state;
 - 20 (5) "Investigational allowance," any allowance for variations inherent in the taking,
21 preparation and analysis of an official sample of a soil amendment;
 - 22 (6) "Label," any display of all written, printed, or graphic matter upon the immediate
23 container or statement accompanying a soil amendment;

- (7) "Labeling," any written, printed, or graphic matter, upon or accompanying any soil amendment, or advertisements, brochures, posters, or television or radio announcements used in promoting the sale of such soil amendment;
- (7A) "Manipulated manure," any animal or vegetable manure collected or stored in a manner consistent with practices commonly implemented in agricultural production that has been subjected to practices including composting, mechanical dewatering, or pelletizing or altered in any way to change chemical, physical, or biological characteristics;
- (7B) "Microbe," any microbiological organism or mixture of microbiological organisms intended to produce any physical, chemical, biochemical, biological, or other change in the soil;
- (8) "Minimum percentage," that percentage of soil amendment ingredient that shall be present in a product before the product may be accepted for registration when distributed in any form or manner;
- (9) "Official sample," any sample of a soil amendment taken by the secretary and so designated;
- (10) "Percent," percentage by weight;
- (11) "Registrant," any person who shall register any soil amendments under the provisions of this chapter;
- (12) "Secretary," the secretary of the Department of Agriculture and Natural Resources of the State of South Dakota;
- (13) "Soil amending ingredient," any substance which will improve the physical, chemical, or other characteristic of the soil or improve crop production;
- (14) "Soil amendment," any substance which is intended to improve the physical, chemical, or other characteristics of the soil or improve crop production, ~~except the following: commercial fertilizer, unmanipulated animal manures, unmanipulated vegetable manures, pesticides, lime or lime sludge produced by a water treatment facility, sewage sludge, as defined in § 38-19-1, and compost as defined in § 38-19-1;~~
- (15) "Soil ingredient form," any ingredient or the chemical compound of an ingredient;
- (16) "Ton," two thousand pounds avoirdupois net weight; and
- (17) "Weight," the weight of that material offered for sale.