

2026 South Dakota Legislature

House Bill 1168**AMENDMENT 1168D
FOR THE HOUSE EDUCATION ENGROSSED 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 enrolled in a nonpublic
10 school.

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

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

14 Only nonpublic school tuition qualifies as an eligible education expense for which a
15 property tax credit may be received pursuant to this Act.

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

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

19 (1) Eighty percent of the total amount of school district taxes owed to that school
20 district by the owner for that year; or

21 (2) One thousand dollars.

22 The amount of property tax credits received by an individual property owner or by
23 multiple property owners, pursuant to this Act, for incurred eligible education expenses,

1 for any individual child in any year may not exceed the per student equivalent set forth in
2 § 13-13-10.1.

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

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

6 The application must be on a form prescribed by the Department of Revenue. The
7 application must:

8 (1) Include for each child on whose behalf eligible education expenses were incurred:

9 (a) The school enrollment information; and

10 (b) Verification of the tuition charges by each child's nonpublic school; and

11 (2) Be signed by the property owner, under penalty of perjury.

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

13 On or before July fifteenth of each year, the county treasurer shall submit to the
14 secretary of the Department of Education, the amounts for all approved tax credits in the
15 county during the twelve-month period ending on June thirtieth of the current calendar
16 year.

17 If the total amount of tax credits approved statewide for the upcoming tax year
18 exceeds ten million dollars, the secretary must calculate the credit reduction index by
19 which all tax credits approved pursuant to this Act are multiplied.

20 On or before August first of each year, the secretary shall notify each county
21 treasurer of the uniform reduction index. The county treasurer shall multiply each tax
22 credit amount approved pursuant to this Act for the upcoming tax year by the uniform
23 reduction index.

24 For purposes of this section, "credit reduction index" means the resulting
25 percentage from dividing ten million dollars by the total amount of tax credits approved
26 statewide for the upcoming tax year.

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

28 The property tax bill sent to each taxpayer pursuant to § 10-21-1.1 must reflect
29 any property tax credits received pursuant to this Act, ~~subject to the credit reduction index~~
30 provided in section 5 of this Act.

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

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

4 **Section 8. That a NEW SECTION be added to chapter 10-13:**

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