

State of South Dakota

EIGHTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 2009

400Q0324

HOUSE BILL NO. 1073

Introduced by: The Committee on Taxation at the request of the Department of Revenue and Regulation

1 FOR AN ACT ENTITLED, An Act to repeal certain sales and use tax exemptions and to revise
2 certain sales and use tax exemptions.

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

4 Section 1. That § 10-45-5.2 be amended to read as follows:

5 10-45-5.2. The following services enumerated in the Standard Industrial Classification
6 Manual, 1987, as prepared by the Statistical Policy Division of the Office of Management and
7 Budget, Office of the President, are specifically subject to the tax levied by this chapter: metal
8 mining services (group no. 108); coal mining (major group 12); nonmetallic minerals (~~except~~
9 ~~fuels~~) services, except fuels (group no. 148); service industries for the printing trade (group no.
10 279); coating, engraving and allied services (group no. 347); communication, electric and gas
11 services (division E except group nos. 483, 494 and 495); hotels, motels, and tourist courts
12 (group no. 701); rooming and boarding houses (group no. 702); camps and recreational vehicle
13 parks (group no. 703); personal services (major group 72); business services (major group 73);
14 automotive repair, services, and parking (major group 75); miscellaneous repair services (major
15 group 76), except farm machinery, farm attachment units, or irrigation equipment repair



1 services; amusement and recreation services (major group 79); legal services (major group 81);
2 landscape and horticultural services (group no. 078); engineering, accounting, research,
3 management, and related services (major group 87, except industry no. 8733); title abstract
4 offices (group no. 654); consumer credit reporting agencies, mercantile reporting agencies, and
5 adjustment and collection agencies (group no. 732); real estate agents and managers (group no.
6 653); funeral service and crematories (group no. 726), except that purchases of goods or services
7 with money advanced as an accommodation are retail purchases and are not includable in gross
8 receipts for funeral services and fees paid or donated for religious ceremonies are not includable
9 in gross receipts for funeral services; loan brokers (industry no. 6163); repair shops and related
10 services, not elsewhere classified (industry no. 7699) ~~but only locksmiths and locksmith shops;~~
11 and floor laying and other floor work not elsewhere classified (industry no. 1752). In addition,
12 the following services are also specifically subject to the tax levied by this chapter: livestock
13 slaughtering services; dog grooming services; airplane, helicopter, balloon, dirigible and blimp
14 rides for amusement or sightseeing; the collection and disposal of solid waste; and all appraiser's
15 services. The services enumerated in this section may not be construed as a comprehensive list
16 of taxable services but rather as a representative list of services intended to be taxable under this
17 chapter.

18 Section 2. That § 10-45-5.5 be repealed.

19 ~~10-45-5.5. Chemicals purchased for use by lawn and garden services (industry no. 0782) as~~
20 ~~enumerated in the Standard Industrial Classification Manual, 1987, as prepared by the Statistical~~
21 ~~Policy Division of the Office of Management and Budget, Office of the President, and used in~~
22 ~~such services shall be considered as purchases for resale.~~

23 Section 3. That § 10-45-8.2 be repealed.

24 ~~10-45-8.2. Section 10-45-8 and chapter 10-58 do not apply to gross receipts derived from~~

1 ~~the sale of cigarettes through vending machines.~~

2 Section 4. That § 10-45-10.3 be repealed.

3 ~~—10-45-10.3. There is exempted from the provisions of this chapter and from the computation~~
4 ~~of the tax imposed by it, freeport merchandise and stocks of merchandise brought as foreign or~~
5 ~~domestic merchandise into a foreign trade zone. For the purposes of this section, stocks of~~
6 ~~merchandise is personal property which is held primarily for sale and not subject to annual~~
7 ~~depreciation. However, the exemption only applies if written evidence of the contract of sale~~
8 ~~is retained, and such contract indicates that the merchandise is to be shipped in international~~
9 ~~commerce to a point outside the United States not to be returned to a point within the United~~
10 ~~States.~~

11 Section 5. That § 10-45-13.4 be repealed.

12 ~~—10-45-13.4. There are specifically exempted from the provisions of this chapter and the~~
13 ~~computation of the tax imposed by it, gross receipts from library copying charges.~~

14 Section 6. That § 10-45-110 be amended to read as follows:

15 10-45-110. There are hereby specifically exempted from the provisions of this chapter and
16 from the computation of the amount of tax imposed by it, the portion of the gross receipts from
17 the sale of coins, currency, or bullion. For the purposes of this section, the term, bullion, means
18 ~~any bar, ingot, or commemorative medallion of gold, silver, platinum, palladium, or a~~
19 ~~combination of these metals where the value of the metal depends on its content and not the~~
20 ~~form~~ or currency that represents the legal tender face value of the coins or currency. For the
21 purposes of this section, the terms, coins and currency, mean any coins or currency made of
22 gold, silver, or other metal or paper which is or has been used as legal tender.

23 Section 7. That § 10-46-2.5 be repealed.

24 ~~—10-46-2.5. Chemicals purchased for use by lawn and garden services (industry no. 0782) as~~

1 ~~enumerated in the Standard Industrial Classification Manual, 1987, as prepared by the Statistical~~
2 ~~Policy Division of the Office of Management and Budget, Office of the President, and used in~~
3 ~~such services shall be considered as purchases for resale.~~

4 Section 8. That § 10-46-17.4 be repealed.

5 ~~— 10-46-17.4. There is exempted from the provisions of this chapter and from the computation~~
6 ~~of the tax imposed by it, freeport merchandise and stocks of merchandise brought as foreign or~~
7 ~~domestic merchandise into a foreign trade zone. For the purposes of this section, stocks of~~
8 ~~merchandise is personal property which is held primarily for sale and not subject to annual~~
9 ~~depreciation. However, the exemption only applies if written evidence of the contract of sale~~
10 ~~is retained, and such contract indicates that the merchandise is to be shipped in international~~
11 ~~commerce to a point outside the United States not to be returned to a point within the United~~
12 ~~States.~~

13 Section 9. That § 10-46-64 be amended to read as follows:

14 10-46-64. The following services enumerated in the Standard Industrial Classification
15 Manual of 1987 as prepared by the Statistical Policy Division of the Office of Management and
16 Budget, Office of the President, are subject to the tax levied by this chapter: repair shops and
17 related services, not elsewhere classified (industry no. 7699) ~~but only locksmiths, locksmith~~
18 ~~shops, and lock parts made to individual order.~~

19 Section 10. That § 10-46-71 be amended to read as follows:

20 10-46-71. There are hereby specifically exempted from the provisions of this chapter and
21 from the computation of the amount of tax imposed by it, the portion of the gross receipts from
22 the sale of coins, currency, or bullion. For the purposes of this section, the term, bullion, means
23 any bar, ingot, or commemorative medallion of gold, silver, platinum, palladium, or a
24 combination of these metals where the value of the metal depends on its content and not the

1 ~~form~~ or currency that represents the legal tender face value of the coins or currency. For the
2 purposes of this section, the terms, coins and currency, mean any coins or currency made of
3 gold, silver, or other metal or paper which is or has been used as legal tender.