

# State of South Dakota

NINETY-FOURTH SESSION  
LEGISLATIVE ASSEMBLY, 2019

742B0138

SENATE STATE AFFAIRS

ENGROSSED NO. **HB 1265** - 3/6/2019

**This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.**

Introduced by: Representatives Karr, Bartels, Gosch, Howard, Koth, Pischke, and Post

1 FOR AN ACT ENTITLED, An Act to revise provisions regarding certain tax rates.

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

3 Section 1. That § 10-64-9 be amended to read:

4 10-64-9. ~~If the state is able to enforce the obligation to collect and remit sales tax on remote~~  
5  ~~sellers who deliver tangible personal property, products transferred electronically, or services~~  
6  ~~directly to the citizens of South Dakota, the additional net revenue from such obligation shall~~  
7  ~~be used to reduce the rate of certain taxes. The rate of tax imposed by §§ 10-45-2, 10-45-5, 10-~~  
8  ~~45-5.3, 10-45-6, 10-45-6.1, 10-45-6.2, 10-45-8, 10-45-71, 10-46-2.1, 10-46-2.2, 10-46-58, 10-~~  
9  ~~46-69, 10-46-69.1, 10-46-69.2, 10-46E-1, and 10-58-1 shall be reduced by one-tenth percent on~~  
10  ~~July first following the calendar year for which each additional twenty million dollar increment~~  
11  ~~of net revenue is collected and remitted by such remote sellers. However, the rate of tax~~  
12  ~~imposed by §§ 10-45-2, 10-45-5, 10-45-5.3, 10-45-6, 10-45-6.1, 10-45-6.2, 10-45-8, 10-45-71,~~  
13  ~~10-46-2.1, 10-46-2.2, 10-46-58, 10-46-69, 10-46-69.1, 10-46-69.2, 10-46E-1, and 10-58-1 may~~  
14  ~~not be reduced below four percent pursuant to the provisions of this section. The Department~~



1 of Revenue shall prepare and submit to the Joint Committee on Appropriations, no later than  
2 the twenty-first legislative day, calculations of actual revenue reported during the immediately  
3 preceding calendar year under §§ 10-64-2 and 10-65-5. The calculation of revenue reported  
4 under § 10-64-2 may not include any revenue reported prior to November 1, 2018. If the  
5 revenue reported in a calendar year exceeds the revenue reported in the immediately preceding  
6 calendar year by at least twenty million dollars, the committee may introduce legislation to  
7 reduce the rate of tax under §§ 10-45-2, 10-45-5, 10-45-5.3, 10-45-6, 10-45-6.1, 10-45-6.2, 10-  
8 45-8, 10-45-71, 10-46-2.1, 10-46-2.2, 10-46-58, 10-46-69, 10-46-69.1, 10-46-69.2, 10-46E-1,  
9 and 10-58-1 by one-tenth percent for each increment of twenty million dollars. The rate of tax  
10 reduced under this section may not be less than four percent.