

Committee: House Taxation

Thursday, February 20, 2020 7:45 AM

Roll Call

Present: Rep. Chaffee, Rep. Duvall, Rep. Chris Johnson, Rep. David Johnson, Rep. Mills, Rep. Pischke, Rep. Randolph, Rep. Reed, Rep. Ring, Rep. Jamie Smith, and Rep. Dennert
Excused: Rep. Olson and Rep. Willadsen

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Representative Dennert

MOTION: TO APPROVE THE MINUTES OF THURSDAY, FEBRUARY 13TH

Moved by: Chaffee
Second by: Pischke
Action: Prevailed by voice vote

HB 1124 : provide for an increase in the assessment against certain treated land.

Presented by: Representative Nancy York
Proponents: Angela Ehlers, South Dakota Association of Conservation Districts
Ken Bunde, Codington County Conservation District Chair Call-in

MOTION: DO PASS HB 1124

Moved by: Duvall
Second by: Chaffee
Action: Prevailed by roll call vote (11-0-2-0)

Voting Yes: Chaffee, Duvall, Chris Johnson, David Johnson, Mills, Pischke, Randolph, Reed, Ring, Jamie Smith, and Dennert

Excused: Olson and Willadsen

HB 1270 : to revise provisions regarding agricultural land classifications for tax purposes.

Presented by: Representative Kirk Chaffee

MOTION: DEFER HB 1270 TO THE 41ST LEGISLATIVE DAY

Moved by: Jamie Smith
Action: Died for lack of a second

MOTION: SUBSTITUTE MOTION: TO TABLE HB 1270

Moved by: Jamie Smith
Second by: Reed
Action: Prevailed by roll call vote (12-0-1-0)

Voting Yes: Chaffee, Duvall, Chris Johnson, David Johnson, Mills, Olson, Pischke, Randolph, Reed, Ring, Jamie Smith, and Dennert

Excused: Willadsen

HB 1284 : create a road improvement priority fund, to provide for the distribution of the fund, and to repeal certain sales tax exemptions.

Presented by: Representative Caleb Finck

Others: David Bordewick, SD Newspaper Association
Alison Jares, Department of Revenue

MOTION: AMEND HB 1284

1284A

On page 1, line 1, of the Introduced bill, delete the comma and insert " and"

On page 1, line 2, of the Introduced bill, after "fund" delete ", and to repeal certain sales tax exemptions"

On page 2, line 25, of the Introduced bill, after "county." delete "Section 4. That § 10-45-12. 1 be AMENDED:

10-45-12. 1. Services specifically exempt from tax.

The following services enumerated in the Standard Industrial Classification Manual, 1987, as prepared by the Statistical Policy Division of the Office of Management and Budget, Office of the President are exempt from the provisions of this chapter: health services (major group 80); educational services (major group 82) except schools and educational services not elsewhere classified (industry no. 8299); social services (major group 83); agricultural services (major group 07) except veterinarian services (group no. 074) and animal specialty services, except veterinary (industry no. 0752); forestry services (group no. 085); radio and television broadcasting (group no. 483); railroad transportation (major group 40); local and suburban passenger transportation (group no. 411) except limousine services; school buses (group no. 415); trucking and courier services, except air (group no. 421) except collection and disposal of solid waste; farm product warehousing and storage (industry no. 4221); establishments primarily engaged in transportation on rivers and canals (group no. 444); establishments primarily engaged in air transportation, certified carriers (group no. 451); establishments primarily engaged in air transportation, noncertified carriers (group no. 452) except chartered flights (industry no. 4522) and airplane, helicopter, balloon, dirigible, and blimp rides for amusement or sightseeing; pipe lines, except natural gas (major group 46); arrangement of passenger transportation (group no. 472); arrangement of transportation of freight and cargo (group no. 473); rental of railroad cars (group no. 474); water supply (industry no. 4941); sewerage systems (industry no. 4952); security brokers, dealers and flotation companies (group no. 621); commodity contracts brokers and dealers (group no. 622); credit counseling services provided by individual and family social services (industry no. 8322); construction services (division C) except industry no. 1752 and locksmiths and locksmith shops; consumer credit reporting agencies, mercantile reporting agencies, and adjustment and collection agencies (group no. 732), if the debt was incurred out-of-state and the client does not reside within the state. The following are also specifically exempt from the provisions of this chapter: financial services of institutions subject to tax under chapter 10-43 including loan origination fees, late payment charges, nonsufficient fund check charges, stop payment charges, safe deposit box rent, exchange charges, commission on travelers checks, charges for administration of trusts, interest charges, and points charged on loans; commissions earned or service fees paid by an insurance company to an agent or representative for the sale of a policy; services of brokers and agents licensed under Title 47; the sale of trading

stamps; rentals of motor vehicles as defined by § 32-5-1 leased under a single contract for more than twenty-eight days; advertising services; services provided by any corporation to another corporation which is centrally assessed having identical ownership and services provided by any corporation to a wholly owned subsidiary which is centrally assessed; continuing education programs; tutoring; vocational counseling, except rehabilitation counseling; and motion picture rentals to a commercially operated theater primarily engaged in the exhibition of motion pictures."

MOTION: REFER HB 1284 TO TRANSPORTATION AS AMENDED

Moved by: Olson
Second by: Duvall
Action: Prevailed by roll call vote (11-1-1-0)

Voting Yes: Chaffee, Duvall, Chris Johnson, David Johnson, Mills, Olson, Randolph, Reed, Ring, Jamie Smith, and Dennert

Voting No: Willadsen

Excused: Pischke

MOTION: ADJOURN

Moved by: Chaffee
Second by: Olson
Action: Prevailed by voice vote

Nancy Bugay, Committee Secretary

/s/ DREW DENNERT
Drew Dennert, Vice-Chair