

State of South Dakota

SEVENTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 1998

400B0244

SENATE BILL NO. 71

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

1 FOR AN ACT ENTITLED, An Act to revise certain dates pertaining to references to the
2 Internal Revenue Code

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

4 Section 1. That § 10-43-10.1 be amended to read as follows:

5 10-43-10.1. Net income, in the case of a financial institution, is taxable income as defined in
6 the Internal Revenue Code, as amended, and in effect on January 1, ~~1997~~ 1998, and reportable
7 for federal income tax purposes for the taxable year, but subject to the adjustments as provided
8 in §§ 10-43-10.2 and 10-43-10.3. If a financial institution has elected to file its federal tax return
9 pursuant to 26 USC § 1362(a), as amended, and in effect on January 1, 1997, net income shall
10 be computed in the same manner and in the same amount as if that institution had continued to
11 file its federal tax return without making the election and the financial institution shall continue
12 to be treated as a separate corporation for the purposes of this chapter.

13 Section 2. That subdivision (6) of § 10-18A-1 be amended to read as follows:

14 (6) "Income," the sum of adjusted gross income as defined in the United States Internal
15 Revenue Code, as amended, and in effect on January 1, ~~1997~~ 1998, and all nontaxable
16 income, including but not limited to the amount of capital gains excluded from

1 adjusted gross income, alimony, support money, nontaxable strike benefits, cash
2 public assistance and relief, not including relief granted under this chapter, the gross
3 amount of any pension or annuity, including Railroad Retirement Act benefits and
4 veterans' disability pensions, all payments received under the federal social security
5 and state unemployment insurance laws, nontaxable interest received from the federal
6 government or any of its instrumentalities, workers' compensation, and the gross
7 amount of "loss of time" insurance, but not including gifts from nongovernmental
8 sources, food stamps, or surplus foods, or other relief in kind provided by a public
9 agency less real estate taxes payable on the applicant's principal residence for the year
10 in which application is made. However, the reduction in the applicant's income for real
11 estate taxes payable may not exceed four hundred dollars;

12 Section 3. That subdivision (5) § 10-45A-1 be amended to read as follows:

13 (5) "Income," the sum of adjusted gross income as defined in the United States Internal
14 Revenue Code, as amended, and in effect on January 1, ~~1997~~ 1998, and all nontaxable
15 income, including but not limited to the amount of capital gains excluded from
16 adjusted gross income, alimony, support money, nontaxable strike benefits, cash
17 public assistance and relief, not including relief granted under this chapter, the gross
18 amount of any pension or annuity, including Railroad Retirement Act benefits and
19 veterans' disability pensions, all payments received under the federal social security
20 and state unemployment insurance laws, nontaxable interest received from the federal
21 government or any of its instrumentalities, workers' compensation, and the gross
22 amount of "loss of time" insurance, but not including gifts from nongovernmental
23 sources, food stamps, or surplus foods, or other relief in kind provided by a public
24 agency, less real estate taxes payable or ten percent of rent paid on the applicant's
25 principal residence for the year in which application is made. However, the reduction

1 in the individual's income may not exceed four hundred dollars;

2 Section 4. That subdivision (7) of § 10-40A-1 be amended to read as follows:

3 (7) "Internal Revenue Code," the federal Internal Revenue Code, as amended, and in
4 effect on January 1, ~~1997~~ 1998;

5 Section 5. That § 10-40-23.3 be amended to read as follows:

6 10-40-23.3. Property subject to the tax imposed by this chapter by § 10-40-23.2 which:

7 (1) Was exempt from taxation under § 10-40-23.1; and

8 (2) Constitutes a qualified terminable interest in property under the Internal Revenue
9 Code, as amended, and in effect on January 1, ~~1997~~ 1998; is subject to the tax
10 imposed by this chapter on the death of the testator's or grantor's spouse. The tax
11 shall be based on the relationship between the testator or grantor of the qualified
12 terminable interest in the property and the beneficiaries of the property.