

State of South Dakota

SEVENTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 1999

573C0144

SENATE BILL NO. 100

Introduced by: Senators Kloucek, Dennert, Hutmacher, and Stagers and Representatives
Waltman, Chicoine, Crisp, Kazmerzak, Lockner, Nachtigal, Napoli, and Weber

1 FOR AN ACT ENTITLED, An Act to exempt the purchase and repair of farm machinery, farm
2 attachment units, and irrigation equipment from sales and use tax.

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

4 Section 1. That chapter 10-45 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 There are exempted from the provisions of this chapter and from the tax imposed by it, gross
7 receipts from the sale, resale, or leasing of farm machinery, attachment units, and irrigation
8 equipment used exclusively for agricultural purposes.

9 Section 2. That chapter 10-45 be amended by adding thereto a NEW SECTION to read as
10 follows:

11 There are exempted from the provisions of this chapter and from the tax imposed by it, gross
12 receipts from any repair service, including repair parts, performed on any farm machinery, farm
13 attachment unit, or irrigation equipment used exclusively for agricultural purposes.

14 Section 3. That § 10-45-3 be repealed.

15 ~~10-45-3. There is hereby imposed a tax of three percent on the gross receipts from the sale~~
16 ~~or resale of farm machinery and attachment units other than replacement parts, or irrigation~~

~~equipment used exclusively for agricultural purposes by licensed South Dakota retailers; provided, however, that whenever any trade-in or exchange of used farm machinery is involved in the transaction, the tax shall only be due and collected on the cash difference.~~

Section 4. That § 10-45-3.2 be amended to read as follows:

10-45-3.2. For purposes of ~~§ 10-45-3~~ of section 1 of this Act, farm machinery shall include all-terrain vehicles of three or more wheels used exclusively by the purchaser for agricultural purposes on agricultural land. The purchaser shall sign and deliver to the seller a statement that the all-terrain vehicle will be used exclusively for agricultural purposes.

Section 5. That § 10-45-3.3 be repealed.

~~10-45-3.3. Farm machinery and attachment units, other than replacement parts, and irrigation equipment sold at public auction shall be taxed pursuant to § 10-45-3 without regard to its intended use.~~

Section 6. That § 10-45-5.2 be amended to read as follows:

10-45-5.2. 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 specifically subject to the tax levied by this chapter: metal mining services (group no. 108); coal mining (major group 12); nonmetallic minerals (except fuels) services (group no. 148); service industries for the printing trade (group no. 279); coating, engraving and allied services (group no. 347); communication, electric and gas services (division E except group nos. 483, 494 and 495); hotels, motels, and tourist courts (group no. 701); rooming and boarding houses (group no. 702); camps and recreational vehicle parks (group no. 703); personal services (major group 72); business services (major group 73); automotive repair, services, and parking (major group 75); miscellaneous repair services (major group 76), except farm machinery, farm attachment units, or irrigation equipment repair services; amusement and recreation services (major group 79); legal services (major group 81); landscape and horticultural

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

17 Section 7. That § 10-45-5 be amended to read as follows:

18 10-45-5. There is imposed a tax at the rate of ~~three percent upon the gross receipts of any~~
19 ~~person from engaging in the business of leasing farm machinery or irrigation equipment used for~~
20 ~~agricultural purposes and~~ four percent upon the gross receipts of any person from engaging or
21 continuing in any of the following businesses or services in this state: abstracters; accountants;
22 architects; barbers; beauty shops; bill collection services; blacksmith shops; car washing; dry
23 cleaning; dyeing; exterminators; garage and service stations; garment alteration; cleaning and
24 pressing; janitorial services and supplies; specialty cleaners; laundry; linen and towel supply;
25 membership or entrance fees for the use of a facility or for the right to purchase tangible personal

1 property or services; photography; photo developing and enlarging; tire recapping; welding and
2 all repair services, except farm machinery, farm attachment units, or irrigation equipment repair
3 services; cable television; and rentals of tangible personal property except leases of tangible
4 personal property between one telephone company and another telephone company, motor
5 vehicles as defined by § 32-5-1 leased under a single contract for more than twenty-eight days
6 and mobile homes provided, however, that the specific enumeration of businesses and
7 professions made in this section does not, in any way, limit the scope and effect of § 10-45-4.

8 Section 8. That chapter 10-46 be amended by adding thereto a NEW SECTION to read as
9 follows:

10 There are exempted from the provisions of this chapter and from the tax imposed by it, gross
11 receipts from the sale, resale, or lease of farm machinery, attachment units, and irrigation
12 equipment used exclusively for agricultural purposes.

13 Section 9. That chapter 10-46 be amended by adding thereto a NEW SECTION to read as
14 follows:

15 There are exempted from the provisions of this chapter and from the tax imposed by it, gross
16 receipts from any repair service, including repair parts, performed on any farm machinery, farm
17 attachment unit, or irrigation equipment used exclusively for agricultural purposes.