

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

714E0150

SENATE BILL NO. 159

Introduced by: Senators Ham, Brown (Arnold), de Hueck, Diedtrich (Elmer), Kleven, Madden, McIntyre, Vitter, and Whiting and Representatives Kooistra, Adelstein, Bradford, Fryslie, Hennies (Thomas), and Van Gerpen

1 FOR AN ACT ENTITLED, An Act to impose an additional tax on certain alcoholic beverages
2 and to distribute the revenue to counties.

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

4 Section 1. There is hereby imposed upon manufacturers and wholesalers of alcoholic
5 beverages a tax computed on distilled spirits, wine, and malt beverages purchased, received, or
6 imported from a distiller, manufacturer, or foreign wholesaler for sale to a retail dealer. The tax
7 rate for each type of alcoholic beverage is as follows:

- 8 (1) Upon distilled spirits as defined in subdivision 35-1-1(6), \$0.05 per ounce;
9 (2) Upon wine as defined in subdivision 35-1-1(25), \$0.014286 per ounce; and
10 (3) Upon malt beverage as defined in subdivision 35-1-1(8), \$0.004167 per ounce.

11 Section 2. The Department of Revenue shall administer the tax provided for in section 1 of
12 this Act and shall conform to the administration of the occupational tax imposed under chapter
13 35-5. The department shall prescribe forms and promulgate rules pursuant to chapter 1-26 for
14 the making of returns and for the ascertainment, assessment, and collection of the tax. The

1 department shall keep full and accurate records of all moneys received and distributed by the
2 department under this Act.

3 Section 3. All moneys received and collected by the Department of Revenue pursuant to
4 section 2 of this Act shall be credited to a county law enforcement and criminal justice fund,
5 which is established in the state treasury, and, after deducting the amount of refunds made and
6 the amounts necessary to defray the direct cost of collecting the tax, shall be paid to the counties
7 as provided in section 4 of this Act.

8 Section 4. Five percent of the payments from the county law enforcement and criminal justice
9 fund created pursuant to section 3 of this Act shall be distributed to the county legal expenses
10 relief fund created pursuant to chapter 7-16. Each county's share of the payments from the
11 remaining ninety-five percent of the law enforcement and criminal justice fund shall be computed
12 using the following factors:

- 13 (1) The percent of the total population of the state that resides in each county based on
14 the most recent United States census; and
- 15 (2) The percent of the true and full assessed value of the state associated with each
16 county as determined by the Department of Revenue.

17 Each county's share of the payments from the remaining ninety-five percent of the county law
18 enforcement and criminal justice fund shall be calculated by multiplying the average of the two
19 factors by the available payment. However, no county may receive more than fifteen percent of
20 the available payment; and no county may receive less than one-half of one percent of the
21 available payment.

22 Section 5. Payments shall be made to the counties from the county law enforcement and
23 criminal justice fund quarterly as follows:

- 24 (1) January first, based upon tax revenues collected between July first and September

1 thirtieth of the preceding year;

2 (2) April first, based upon tax revenues collected between October first and December
3 thirty-first of the preceding year;

4 (3) July first, based upon tax revenues collected between January first and March thirty-
5 first of the current year; and

6 (4) October first, based upon tax revenues collected between April first and June thirtieth
7 of the current year.

8 Section 6. The payments received by counties pursuant to sections 4 and 5 of this Act shall
9 be deposited in a special law enforcement and criminal justice fund, and the revenue may be used
10 only for domestic violence programs, jails, detoxification, law enforcement, juvenile justice
11 programs, attorney fees, court expenses, and other criminal justice expenses. The board of
12 county commissioners shall, by resolution, establish a means of distributing the revenue among
13 the county law enforcement, juvenile justice, and other qualifying agencies within the county.

14 Section 7. The total amount of revenue payable to each county from taxes payable in 2003
15 on real property pursuant to § 10-13-35 shall be reduced by an amount equal to fifty percent of
16 the payment received by each county pursuant to sections 4 and 5 of this Act during state fiscal
17 year 2002. The reduction in revenue payable from taxes on real property provided by this section
18 shall establish a new base for the application of the index factor prescribed by § 10-13-35.