

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

834E0094

SENATE BILL NO. 166

Introduced by: Senator Koskan and Representatives Juhnke, Jensen, and Napoli

1 FOR AN ACT ENTITLED, An Act to repeal the sales and use tax on farm machinery, farm
2 attachment units, and irrigation equipment and to increase the school district general fund
3 levy for agricultural property.

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

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

7 There are exempted from the provisions of this chapter and the tax imposed by it, the gross
8 receipts from the sale, resale, or lease of farm machinery, farm attachment units, and irrigation
9 equipment used exclusively for agricultural purposes. This section does not apply to replacement
10 parts for farm machinery, farm attachment units, or irrigation equipment.

11 Section 2. That § 10-45-3.3 be amended to read as follows:

12 10-45-3.3. Farm machinery and attachment units, other than replacement parts, and irrigation
13 equipment sold at public auction ~~shall be taxed pursuant to § 10-45-3~~ is exempt from the tax
14 imposed by this chapter without regard to its intended use.

15 Section 3. That § 10-45-5 be amended to read as follows:

1 10-45-5. There is imposed a tax at the rate of ~~three percent upon the gross receipts of any~~
2 ~~person from engaging in the business of leasing farm machinery or irrigation equipment used for~~
3 ~~agricultural purposes and~~ four percent upon the gross receipts of any person from engaging or
4 continuing in any of the following businesses or services in this state: abstracters; accountants;
5 architects; barbers; beauty shops; bill collection services; blacksmith shops; car washing; dry
6 cleaning; dyeing; exterminators; garage and service stations; garment alteration; cleaning and
7 pressing; janitorial services and supplies; specialty cleaners; laundry; linen and towel supply;
8 membership or entrance fees for the use of a facility or for the right to purchase tangible personal
9 property or services; photography; photo developing and enlarging; tire recapping; welding and
10 all repair services; cable television; and rentals of tangible personal property except leases of
11 tangible personal property between one telephone company and another telephone company,
12 motor vehicles as defined by § 32-5-1 leased under a single contract for more than twenty-eight
13 days and mobile homes provided, however, that the specific enumeration of businesses and
14 professions made in this section does not, in any way, limit the scope and effect of § 10-45-4.

15 Section 4. That chapter 10-46 be amended by adding thereto a NEW SECTION to read as
16 follows:

17 There are exempted from the provisions of this chapter and the tax imposed by it, the gross
18 receipts from the sale, resale, or lease of farm machinery, farm attachment units, and irrigation
19 equipment used exclusively for agricultural purposes. This section does not apply to replacement
20 parts for farm machinery, farm attachment units, or irrigation equipment.

21 Section 5. That § 10-12-42 be amended to read as follows:

22 10-12-42. For taxes payable in ~~2001~~ 2002 and each year thereafter, the levy for the general
23 fund of a school district shall be as follows:

24 (1) The maximum tax levy shall be thirteen dollars and ninety-three cents per thousand

1 dollars of taxable valuation subject to the limitations on agricultural property as
2 provided in subdivision (2) of this section, owner-occupied property as provided for
3 in subdivision (3) of this section, and nonagricultural acreage property as provided for
4 in subdivision (4) of this section;

5 (2) The maximum tax levy on agricultural property for such school district shall be four
6 dollars and ~~five~~ ninety-eight cents per thousand dollars of taxable valuation. If the
7 district's levies are less than the maximum levies as stated in this section, the levies
8 shall maintain the same proportion to each other as represented in the mathematical
9 relationship at the maximum levies;

10 (3) The maximum tax levy for an owner-occupied single-family dwelling as defined in
11 § 10-13-40, for such school district may not exceed six dollars and fifty-two cents per
12 thousand dollars of taxable valuation. If the district's levies are less than the maximum
13 levies as stated in this section, the levies shall maintain the same proportion to each
14 other as represented in the mathematical relationship at the maximum levies;

15 (4) The maximum tax levy on nonagricultural acreage property as defined in
16 § 10-6-33.14, for such school district shall be five dollars and five cents per thousand
17 dollars of taxable valuation. If the district's levies are less than the maximum levies as
18 stated in this section, the levies shall maintain the same proportion to each other as
19 represented in the mathematical relationship at the maximum levies.

20 All levies in this section shall be imposed on valuations where the median level of assessment
21 represents eighty-five percent of market value as determined by the Department of Revenue.
22 These valuations shall be used for all school funding purposes. If the district has imposed an
23 excess levy pursuant to § 10-12-43, the levies shall maintain the same proportion to each other
24 as represented in the mathematical relationship at the maximum levies in this section. The school

1 district may elect to tax at less than the maximum amounts set forth in this section.