

2025 South Dakota Legislature

House Bill 1245**AMENDMENT 1245D
FOR THE HOUSE TAXATION ENGROSSED BILL**

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

1 **An Act to ~~exclude guaranteed payments made to partners from the definition of~~**
2 **~~gross receipts, and to exempt guaranteed payments made to partners from~~**
3 **~~the state use tax exempt from the state sales and use tax gross receipts for~~**
4 **~~certain services to a partnership.~~**

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

6 **Section 1. That a NEW SECTION be added to chapter 10-45:**

7 The following are exempt from the provisions of this chapter and from the
8 computation of the tax imposed by this chapter:

9 (1) Gross receipts from services rendered by a natural person to a business taxed as
10 a partnership in which the natural person is an owner;

11 (2) Gross receipts from services rendered by a limited liability company, which has no
12 employees and is wholly owned by a natural person, to a business taxed as a
13 partnership in which the limited liability company is an owner; and

14 (3) Gross receipts from services rendered by a corporation, which is wholly owned by
15 a natural person and has no employees other than its owner, to a business taxed
16 as a partnership in which the corporation is an owner.

17 **Section 2. That a NEW SECTION be added to chapter 10-46:**

18 The following are exempt from the provisions of this chapter and from the
19 computation of tax imposed by this chapter:

20 (1) Gross receipts from services rendered by a natural person to a business taxed as
21 a partnership in which the natural person is an owner;

- 1 (2) Gross receipts from services rendered by a limited liability company, which has no
- 2 employees and is wholly owned by a natural person, to a business taxed as a
- 3 partnership in which the limited liability company is an owner; and
- 4 (3) Gross receipts from services rendered by a corporation, which is wholly owned by
- 5 a natural person and has no employees other than its owner, to a business taxed
- 6 as a partnership in which the corporation is an owner.

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