

# State of South Dakota

## EIGHTY-SECOND SESSION LEGISLATIVE ASSEMBLY, 2007

573N0395

### HOUSE BILL NO. 1229

Introduced by: Representative Moore

1 FOR AN ACT ENTITLED, An Act to reduce the taxes on cigarettes and tobacco products and  
2 to revise the distribution of the revenue from cigarettes and tobacco products.

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

4 Section 1. That § 10-50-3 be amended to read as follows:

5 10-50-3. A tax is imposed, whether or not a sale occurs, at the following rates on all  
6 cigarettes held in this state for sale by any person:

7 Class A, on cigarettes weighing not more than three pounds per thousand, ~~seventy-six~~ thirty-  
8 seven and one-half mills on each cigarette.

9 Class B, on cigarettes weighing more than three pounds per thousand, ~~seventy-six~~ thirty-  
10 seven and one-half mills on each cigarette.

11 Section 2. That § 10-50-61 be amended to read as follows:

12 10-50-61. In addition to the tax imposed by § 10-50-3, there is imposed, whether or not a  
13 sale occurs, a tax upon all tobacco products in this state and upon any person engaged in  
14 business as a licensed distributor or licensed wholesaler thereof, at the rate of ~~thirty-five~~ twenty  
15 percent of the wholesale purchase price of such tobacco products. Such tax shall be imposed at  
16 the time the distributor or wholesaler brings or causes to be brought into this state tobacco



1 products for sale; makes, manufactures, or fabricates tobacco products in this state for sale in  
2 this state; or ships or transports tobacco products to dealers in this state to be sold by those  
3 dealers. For the purposes of this chapter, wholesale purchase price is the price for which a  
4 manufacturer sells tobacco products to a licensed distributor or licensed wholesaler exclusive  
5 of any discount or other reduction.

6 Section 3. That § 10-50-52 be amended to read as follows:

7 10-50-52. The first thirty million dollars in revenue collected annually pursuant to this  
8 chapter shall be deposited in the general fund. All revenue in excess of thirty million dollars  
9 collected annually shall be deposited in the tobacco prevention and reduction trust fund. Five  
10 million dollars of the revenue deposited annually in the tobacco prevention and reduction trust  
11 fund pursuant to this section shall be used to implement the tobacco prevention and reduction  
12 program. ~~Thirty-three percent of any revenue deposited in the tobacco prevention and reduction~~  
13 ~~trust fund in excess of five million dollars shall be transferred to the property tax reduction fund.~~  
14 ~~Thirty-three~~ Fifty percent of any revenue deposited in the tobacco prevention and reduction trust  
15 fund in excess of five million dollars shall be transferred to the education enhancement trust  
16 fund. ~~Thirty-four~~ Fifty percent of any revenue deposited in the tobacco prevention and reduction  
17 trust fund in excess of five million dollars shall be transferred to the health care trust fund.