



## 2025 South Dakota Legislature

# Senate Bill 42

*Introduced by: The Chair of the Committee on Taxation at the request of the Department of Revenue*

1 **An Act to clarify the wholesale purchase price of tobacco products.**

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

3 **Section 1. That § 10-50-61 be AMENDED:**

4 **10-50-61.** In addition to the tax imposed by § 10-50-3, there is imposed, whether  
 5 or not a sale occurs, a tax upon all tobacco products in this state and upon any person  
 6 engaged in business as a licensed distributor or licensed wholesaler thereof, at the rate of  
 7 thirty-five percent of the wholesale purchase price of ~~such~~the tobacco products. ~~Such~~The  
 8 tax shall be imposed at the time the distributor or wholesaler brings or causes to be  
 9 brought into this state tobacco products for sale; makes, manufactures, or fabricates  
 10 tobacco products in this state for sale in this state; or ships or transports tobacco products  
 11 to dealers in this state to be sold by those dealers.

12 For the purposes of this chapter, the wholesale purchase price is the price paid for  
 13 ~~which a manufacturer sells~~ tobacco products ~~to a~~ by the licensed distributor or licensed  
 14 wholesaler, exclusive of any discount or other reduction.

15 Any licensed distributor or licensed wholesaler who has paid tax pursuant to this  
 16 section and subsequently sells the tobacco products to another licensed distributor or  
 17 licensed wholesaler for resale, or sells the tobacco products outside of this state, ~~shall~~ is  
 18 entitled to receive a credit for the tax paid pursuant to this section on ~~such~~the tobacco  
 19 products.