

# State of South Dakota

NINETY-FIRST SESSION  
LEGISLATIVE ASSEMBLY, 2016

848X0576

## HOUSE BILL NO. 1179

Introduced by: Representative Bolin and Senator Haggar (Jenna)

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the exemption of  
2 certain boats from the excise tax on large boats.

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

4 Section 1. That § 32-3A-52 be amended to read:

5 32-3A-52. Exempt from the provisions of § 32-3A-50 are:

- 6 (1) Any large boat which is the property of the governmental units which are exempted  
7 from motor vehicle registration fees by §§ 32-5-42 and 32-5-42.1;
- 8 (2) Any large boat acquired by inheritance or bequest;
- 9 (3) Any large boat previously titled or licensed jointly in the names of two or more  
10 persons and subsequently transferred without consideration to one or more of such  
11 persons;
- 12 (4) Any large boat transferred without consideration between spouses, between a parent  
13 and child, and between siblings;
- 14 (5) Any large boat transferred pursuant to any mergers or consolidations of corporations  
15 or limited liability companies, or plans of reorganization by which substantially all



1 of the assets of a corporation or limited liability company are transferred if the large  
2 boat was previously titled, licensed, and registered in this state;

3 (6) Any large boat transferred by a subsidiary corporation or limited liability company  
4 to its parent corporation or limited liability company for no or nominal consideration  
5 or in sole consideration of the cancellation or surrender of the subsidiary's stock if the  
6 large boat was previously titled, licensed, and registered in this state;

7 (7) Any large boat transferred between an individual and a corporation if the individual  
8 and the owner of the majority of the capital stock of the corporation are one and the  
9 same, or any large boat transferred between an individual and a limited liability  
10 company if the individual and the majority member of the limited liability company  
11 are one and the same, and if the large boat was previously titled and registered in this  
12 state;

13 (8) Any large boat transferred between a corporation or limited liability company and its  
14 stockholders, members, or creditors if to effectuate a dissolution of the corporation  
15 or limited liability company it is necessary to transfer the title from the corporate  
16 entity or limited liability company to the stockholders, members, or creditors and if  
17 the large boat was previously titled and registered in this state;

18 (9) Any large boat transferred between an individual and limited or general partnership  
19 if the individual and the owner of the majority interest in the partnership are one and  
20 the same person and if the large boat was previously titled and registered in this state;

21 (10) Any large boat transferred to effect a sale of all or substantially all of the assets of the  
22 business entity if the large boat was previously titled and registered in this state;

23 (11) Any large boat acquired by a secured party or lien holder in satisfaction of a debt;

24 (12) Any large boat sold or transferred which is eleven or more years old and which is

1 sold or transferred for ~~two thousand two hundred~~ two thousand five hundred dollars  
2 or less before trade-in;

3 (13) Any damaged large boat transferred to an insurance company in the settlement of an  
4 insurance claim;

5 (14) Any large boat owned by a former resident of this state who returns to the state and  
6 who had previously paid excise tax to this state on the large boat as evidenced within  
7 the department's records or by submission of other acceptable proof of payment of  
8 such tax;

9 (15) Any large boat transferred between corporations, both subsidiary and nonsubsidiary,  
10 if the individuals who hold a majority of stock in the first corporation also hold a  
11 majority of stock in the second corporation; but these individuals need not hold the  
12 same ratio of stock in both corporations and if the large boat was previously titled  
13 and registered in this state;

14 (16) Any large boat transferred between limited liability companies, both subsidiary and  
15 nonsubsidiary, if the individuals who hold a majority interest in the first limited  
16 liability company also hold a majority interest in the second limited liability company  
17 and if the large boat was previously titled, licensed, and registered in this state; and

18 (17) Any large boat transferred by a trustor to a trustee or from a trustee to a beneficiary  
19 of a trust.