

State of South Dakota

NINETY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 2019

157B0153

SENATE BILL NO. 86

Introduced by: Senators Partridge, Blare, Cronin, Curd, Greenfield (Brock), Kolbeck, Maher, Novstrup, Otten (Ernie), Rusch, Schoenbeck, Soholt, Solano, Steinhauer, Sutton, White, Wiik, and Youngberg and Representatives Anderson, Bartels, Barthel, Borglum, Diedrich, Duvall, Finck, Glanzer, Goodwin, Hunhoff, Johnson (David), Karr, Lake, Miskimins, Peterson (Kent), Reed, Reimer, Schoenfish, and Zikmund

1 FOR AN ACT ENTITLED, An Act to provide for calculations of sales tax revenues from
2 sellers located outside of the state.

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

4 Section 1. That § 10-64-9 be amended to read:

5 10-64-9. ~~If the state is able to enforce the obligation to collect and remit sales tax on remote~~
6 ~~sellers who deliver tangible personal property, products transferred electronically, or services~~
7 ~~directly to the citizens of South Dakota, the additional net revenue from such obligation shall~~
8 ~~be used to reduce the rate of certain taxes. The rate of tax imposed by §§ 10-45-2, 10-45-5, 10-~~
9 ~~45-5.3, 10-45-6, 10-45-6.1, 10-45-6.2, 10-45-8, 10-45-71, 10-46-2.1, 10-46-2.2, 10-46-58, 10-~~
10 ~~46-69, 10-46-69.1, 10-46-69.2, 10-46E-1, and 10-58-1 shall be reduced by one-tenth percent on~~
11 ~~July first following the calendar year for which each additional twenty million dollar increment~~
12 ~~of net revenue is collected and remitted by such remote sellers. However, the rate of tax~~
13 ~~imposed by §§ 10-45-2, 10-45-5, 10-45-5.3, 10-45-6, 10-45-6.1, 10-45-6.2, 10-45-8, 10-45-71,~~



1 ~~10-46-2.1, 10-46-2.2, 10-46-58, 10-46-69, 10-46-69.1, 10-46-69.2, 10-46E-1, and 10-58-1 may~~
2 ~~not be reduced below four percent pursuant to the provisions of this section. The Department~~
3 ~~of Revenue shall prepare and submit to the Joint Committee on Appropriations, no later than~~
4 ~~the twenty-first legislative day, calculations of actual revenue generated during the immediately~~
5 ~~preceding calendar year under §§ 10-64-2 and 10-65-5. The calculation of revenue generated~~
6 ~~under §§ 10-64-2 may not include any revenue generated prior to November 1, 2018. If the~~
7 ~~revenue generated in a calendar year exceeds the revenue generated in the immediately~~
8 ~~preceding calendar year by at least twenty million dollars, the committee may introduce~~
9 ~~legislation to reduce the rate of tax under §§ 10-45-2, 10-45-5, 10-45-5.3, 10-45-6, 10-45-6.1,~~
10 ~~10-45-6.2, 10-45-8, 10-45-71, 10-46-2.1, 10-46-2.2, 10-46-58, 10-46-69, 10-46-69.1, 10-~~
11 ~~46.69.2, 10-46E-1, and 10-58-1 by one-tenth percent for each increment of twenty million~~
12 ~~dollars. The rate of tax reduced under this section may not be less than four percent.~~