



2020 South Dakota Legislature

House Bill 1020

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

1 **An Act to revise certain provisions regarding the use of exemption certificates.**

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

3 **Section 1.** That § 10-45-61.1 be AMENDED:

4 **10-45-61.1. Exemption certificate--Timing--Alternative Information.**

5 Notwithstanding the provisions of §§ 10-45-61, 10-59-3, and 10-59-7, if the seller
 6 has not obtained an exemption certificate or all relevant data elements for an exemption
 7 ~~certificates~~ certificate, the seller may, within one hundred twenty days subsequent to a
 8 request for substantiation, ~~either prove that the transaction was not subject to tax by~~
 9 ~~other means or obtain a~~ by the Department of Revenue, do either of the following:

10 (1) Obtain a fully completed exemption certificate from the purchaser, taken in good
 11 faith which means that the seller obtained a certificate that claims an exemption
 12 that:

13 (a) Was statutorily available on the date of the transaction in the jurisdiction
 14 where the transaction is sourced;

15 (b) May be applicable to the item being purchased; and

16 (c) Is reasonable for the purchaser's type of business; or

17 (2) Obtain other information establishing that the transaction was not subject to the
 18 tax.

19 Any exemption certificate presented after one hundred twenty days need not be
 20 considered by the department.