

# State of South Dakota

SEVENTY-SEVENTH SESSION  
LEGISLATIVE ASSEMBLY, 2002

347H0483

## HOUSE BILL NO. 1248

Introduced by: Representatives Peterson (Bill), Hunhoff, and Van Etten and Senators  
Daugaard, Brown (Arnold), and McIntyre

1 FOR AN ACT ENTITLED, An Act to increase the tax on cigarettes and to dedicate the  
2 proceeds.

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

4 Section 1. That chapter 10-50 be amended by adding thereto a NEW SECTION to read as  
5 follows:

6 In addition to the tax imposed by § 10-50-3, whether or not a sale occurs, there is imposed  
7 an additional tax at the following rates on all cigarettes held in this state for sale by any person:

8 Class A, on cigarettes weighing not more than three pounds per thousand, eight and one-half  
9 mills on each cigarette.

10 Class B, on cigarettes weighing more than three pounds per thousand, eight and eight-tenths  
11 mills on each cigarette.

12 Section 2. That chapter 10-50 be amended by adding thereto a NEW SECTION to read as  
13 follows:

14 Any revenues collected pursuant to this Act shall be distributed annually in the same manner  
15 and at the same time as the permanent school fund income pursuant to § 13-13-1.



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

2 10-50-4. The payment of the tax imposed by § 10-50-3 and section 1 of this Act shall be  
3 evidenced by the affixing of stamps or by the impression of an imprint by suitable metering  
4 machines approved by the secretary of revenue as provided by this chapter, to the packages  
5 containing the cigarettes as hereinafter indicated. ~~Provided, that~~ However, for cigarettes offered  
6 by manufacturers for gratis distribution as samples, ~~such~~ the stamps are not required to be affixed  
7 to sample packages if the manufacturer of the cigarette reports and pays the tax directly to the  
8 state tax authority.

9 Section 4. That § 10-50-5 be amended to read as follows:

10 10-50-5. No stamps evidencing payment of the tax prescribed in § 10-50-3 ~~shall~~ and section  
11 1 of this Act may be in a denomination of less than one cent ~~and whenever~~. If the tax ~~at the rate~~  
12 ~~therein prescribed shall be a specified amount plus~~ includes a fractional part of one cent, the  
13 package or carton shall be stamped for the next full cent, ~~provided, that whenever the tax at the~~  
14 ~~rate therein prescribed shall amount to twelve cents the package or carton shall be stamped for~~  
15 ~~the exact amount of twelve cents.~~

16 Section 5. That § 10-50-6 be amended to read as follows:

17 10-50-6. Any cigarette on which a tax has been paid, ~~such~~ the payment being evidenced by  
18 the affixing of ~~such~~ the stamp or imprint, is not subject to a further tax under this chapter.  
19 However, any person, who possesses two thousand or more cigarettes that do not bear a tax  
20 stamp or imprint indicating that the South Dakota cigarette tax has been paid, shall pay the tax  
21 imposed pursuant to § 10-50-3 and section 1 of this Act plus a penalty equal to ten percent of  
22 the total tax due.

23 Section 6. That § 10-50-61 be amended to read as follows:

24 10-50-61. In addition to the tax imposed by § 10-50-3 and section 1 of this Act, there is

1 imposed, whether or not a sale occurs, a tax upon all tobacco products in this state and upon any  
2 person engaged in business as a licensed distributor or licensed wholesaler thereof, at the rate  
3 of ten percent of the wholesale purchase price of ~~such~~ the tobacco products. ~~Such~~ The tax shall  
4 be imposed at the time the distributor or wholesaler brings or causes to be brought into this state  
5 tobacco products for sale; makes, manufactures, or fabricates tobacco products in this state for  
6 sale in this state; or ships or transports tobacco products to dealers in this state to be sold by  
7 those dealers. For the purposes of this chapter, wholesale purchase price is the price for which  
8 a manufacturer sells tobacco products to a licensed distributor or licensed wholesaler exclusive  
9 of any discount or other reduction.