

State of South Dakota

SEVENTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2002

264H0506

SENATE TAXATION COMMITTEE ENGROSSED NO.

SB 85 - 01/25/2002

Introduced by: Senators Symens, Dennert, Diedrich (Larry), Duxbury, and Vitter and
Representatives Jaspers, Duenwald, Hargens, Jensen, Juhnke, Peterson (Jim),
and Van Norman

1 FOR AN ACT ENTITLED, An Act to exempt from sales tax certain contract services provided
2 to agricultural producers by an agent of a parent company through a local contracting entity
3 and certain employee expense reimbursement provided by an agricultural cooperative.

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

5 Section 1. That chapter 10-45 be amended by adding thereto a NEW SECTION to read as
6 follows:

7 There are specifically exempted from the provisions of this chapter and from the computation
8 of the tax imposed by it, the gross receipts from the sale of services rendered by a parent
9 company to a local cooperative, if the local cooperative is a local contracting entity, for the
10 purpose of paying for the services of an agent who meets with agricultural producers promoting,
11 educating, and providing technical assistance and information on the parent company's products
12 which are sold through a local contracting entity.

13 Section 2. That chapter 10-45 be amended by adding thereto a NEW SECTION to read as
14 follows:



1 There are specifically exempted from the provisions of this chapter and from the computation
2 of the tax imposed by it, the gross receipts from employee expense reimbursement provided by
3 an agricultural cooperative to a company, if the agricultural cooperative owns at least twenty-
4 five percent of such company.