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October 24, 2025

COMPREHENSIVE PROPERTY TAX TASK FORCE ANNOUNCES RECOMMENDATIONS

PIERRE – The Chair and Vice Chair of the Comprehensive Property Tax Task Force, President Pro Tempore of the Senate Chris Karr and Speaker of the House Jon Hansen, today announced the task force's recommendations to deliver real, lasting property tax relief for South Dakotans through responsible fiscal reform and smarter government spending.

The recommendations to deliver immediate and permanent property tax relief include:

- Immediate relief via a \$120 million tax rebate delivered directly to homeowners utilizing collected but unspent tax dollars.
- A 5% cut in state government spending, resulting in \$123 million in savings which will be applied entirely for homeowner property tax reduction. The task force requested executive branch collaboration to bring about the necessary cuts to deliver relief.
- Due to a "sunset" on the current sales tax rate, South Dakota's sales tax revenues are set to increase by an additional \$105 million. The task force recommended preserving the tax relief, directing 100% of these dollars to reduce homeowner property taxes.
- Allocating 25% of future state revenue growth to replacing property tax revenue, ensuring these changes are permanent, and funds available for property tax relief grow along with South Dakota's economy.

Altogether, the plan represents more than \$348 million in total relief and an approximately 25% cut to homeowner property taxes, coupled with modernization and accountability reforms designed to make government more efficient and accessible.

Said Senator Karr, "This plan provides critical, long-term reforms that finally reduce the burden of property taxes on families while still funding local services and honoring our commitments to seniors and veterans. It's time to make tax cuts a priority for property owners."

"Real tax relief begins with right-sizing government," Representative Hansen said. "Ending the excessive strain of high property taxes on South Dakota homeowners is a top priority, and these recommendations are a big step forward in bringing about needed relief for South Dakotans."

Additional property tax relief recommendations include:

- Expanded tax relief programs for seniors and disabled veterans;
- Election requirements for opt-outs or bond elections;
- Electronic filing for faster, more accessible relief for all taxpayers;
- Directing all video lottery revenue to education to fulfill its original promise and ease the burden on local taxpayers; and
- Limits on public school spending for capital projects.

View the full list of recommendations at <https://mylrc.sdlegislature.gov/api/Documents/287258.pdf>.

House Majority Leader Scott Odenbach praised the hard work of all of the task force members.

"Their commitment to this process over the past few months is a testament to their role as representatives of their constituents. I look forward to seeing how both the executive and legislative branches can work together to prioritize tax relief during the 2026 Legislative Session," he said.

In addition to Senator Karr and Representative Hansen, members include Senators Randy Deibert (R-Spearfish), Red Dawn Foster (D-Pine Ridge), Taffy Howard (R-Rapid City), Jim Mehlhaff (R-Pierre), Ernie Otten (R-Tea), Sue Peterson (R-Sioux Falls), and Glen Vilhauer (R-Watertown); Representatives Julie Auch (R-Yankton), Leslie Heinemann (R-Flandreau), John Hughes (R-Sioux Falls), Jana Hunt (R-Dupree), Greg Jamison (R-Sioux Falls), Scott Odenbach (R-Spearfish), and Peri Pourier (R-Rapid City); and non-legislators Kirk Chaffee and Jim Terwilliger.