

Three large, solid-colored circles are arranged vertically on the left side of the page. The top circle is olive green, the middle circle is dark blue, and the bottom circle is yellow.

# Creating Partnerships with Revenue

# Creating Partnerships

## Department of Revenue

*Professional, Dependable, Accountable*

From the Secretary:

I am pleased to offer you this informational pamphlet explaining the main areas of operation and responsibilities of the South Dakota Department of Revenue.

Our mission is to partner with our stakeholders to provide customer-oriented, fair, reliable revenue administration. We work to collect the revenue necessary for South Dakota to fund programs that benefit the citizens of our great state.

The focus of our department is to serve our taxpayers and to support government services by collecting all taxes required by law, supporting motor vehicle requirements, and regulating the gaming industry and state's lottery to raise revenue for government programs.

The Department of Revenue consists of six divisions, one commission, and the Office of the Secretary. A brief description of each division is included in the following pages. The Department has divisional office locations in Aberdeen, Deadwood, Mitchell, Rapid City, Sioux Falls, Watertown, and Yankton. Additional information on the department as well as office locations is available on our website at <http://dor.sd.gov/> or by calling our main office in Pierre at (605) 773-3311.

Our employees are our greatest asset, assisting our taxpayers is our main responsibility and service is our priority. Thank you for the opportunity to serve you.

Respectfully,

Andy Gerlach  
Secretary



# Creating Partnerships

## *BUSINESS TAX*

The Business Tax Division administers the sales tax, use tax, municipal tax, and contractor's excise tax, as well as the tax collection agreements with Indian tribes. Sales and use tax is the largest source of funding for the general fund.

- There are over 80,000 active business tax licenses in South Dakota
- Over 540,000 business tax returns were filed for FY 2012
- 30% of the business tax returns filed in FY 2012 were filed electronically
- 70% of business tax revenues are from returns filed electronically

All tangible personal property, services, and products delivered electronically are subject to sales or use tax in South Dakota unless specifically exempted.

## *PROPERTY & SPECIAL TAXES*

The Property & Special Taxes Division is comprised of two distinct programs within the Department of Revenue: the Special Taxes program and the Property Tax program.

### **The Property Tax program:**

- Assists local governments in making property tax assessments that are fair and in compliance with state law
- Estimates the full and true value of some public utilities, railroads and airline companies through the central assessment process
- Administers special industry taxes, such as the telecommunications gross receipts tax and the alternative tax for commercial wind farms
- Works closely with the Legislature's Agricultural Land Assessment Implementation and Oversight Advisory Task Force and county directors of equalization on the unique issues surrounding the assessment of agricultural land
- Conducts various training programs for county officials and holds the annual Assessors School to provide continuing educational opportunities for county assessors

# Creating Partnerships

The Property Tax program oversees South Dakota's property tax system. Property taxes are the primary source of funding for school systems, counties, municipalities and other units of local government.

The state does not collect or spend any property tax money.

## **The Special Taxes program:**

- Administers state taxes on tobacco, alcohol, banks, estates, minerals, and several small industries
- Regulates the tobacco and alcohol industries to ensure compliance with all applicable state laws and imposes sanctions for noncompliance
- Coordinates South Dakota's sales and property tax refund program for the elderly and disabled

Special Taxes is responsible for the collection of approximately one-hundred million dollars (\$100,000,000) of state taxes annually.

## *MOTOR VEHICLES (DMV)*

Revenues collected by the DMV support the state highways and county roads in the State of South Dakota:

- Titles and collects motor vehicle excise tax and registration fees through 66 county treasurers
- Collects motor fuel and special fuel tax
- Collects fuel tax and license fees for interstate motor carriers licensed under International Fuel Tax Agreement (IFTA), International Registration Plan (IRP), and Unified Carrier Registration (UCR)
- Regulates new and used dealers selling vehicles, motorcycles, manufactured homes, boats and trailers

**Electronic options to do business:** DMV offers online Internet renewal through the Division of Motor Vehicles website at [www.SDcars.org](http://www.SDcars.org) or through four Self-Service Terminal (SST) located in Rapid City and Sioux Falls, any time, day or night.

# Creating Partnerships

The 2013 expansion plans include allowing electronic filing of fuel taxes, expanding the locations of SST's into other cities and enhancing the [sdcars.org](http://sdcars.org) website to include motor vehicle title information.

## *AUDIT DIVISION*

The Audit Division regularly performs audits for sales, use, contractor's excise taxes and motor fuel taxes to ensure that businesses are correctly reporting taxes. Audits are conducted on any business, in-state or out-of-state, large or small, which may have a tax liability to South Dakota. Audits are used to correct errors businesses may make in reporting their taxes.

In addition to auditing for state taxes, audits are also conducted for local city taxes levied by over two hundred cities in South Dakota. City taxes add complexity to audits and increase the hours needed to complete the audit.

## *LEGAL SERVICES*

The Legal Division is comprised of a Chief Legal Counsel, two full-time attorneys, four full-time Special Agents dedicated to the Investigative Services Bureau (ISB), and one legal secretary. The legal staff provides routine legal counsel to the Department and works on contested cases, such as audits, jeopardy assessments, relief agency requests, motor vehicle issues, alcohol licenses, and sales tax license revocations.

## *ADMINISTRATIVE SERVICES*

Administrative Services provides support services to the Department in the areas of budget, finance, and procurement. The Department's budget for FY2013 is \$60,686,381 with 245.5 FTE. The budget consists of \$59,619,807 in other funds and \$1,066,574 in general funds. Administrative Services also manages the operation of the Remittance Center by processing printed returns for the Department and providing lockbox services to a number of state agencies and programs.

# Creating Partnerships

Administrative Services personnel develop and coordinate internal and external training and education opportunities and are responsible for printed and electronic public relation efforts. Staff assist in the coordination, direction, and application of technology promoting efficiencies in the Department and to promote the State's E-Government initiative.

## *SOUTH DAKOTA LOTTERY*

The South Dakota Lottery markets instant tickets and lotto games and regulates video lottery to raise revenue for state programs and initiatives. While the Lottery has direct oversight of daily operations and the division's 29 employees, the South Dakota Lottery Commission oversees the division in a broader sense, helping to establish policy, reviewing and approving major contracts and procurements, and consulting on management and operation issues. The Lottery has its main office in Pierre with offices in Rapid City and Sioux Falls.

### **Fast Facts about the South Dakota Lottery:**

- Generated over \$2.1 billion since September 30, 1987
- Second largest source of annual revenue to the state
- Proceeds go to:
  - Sale of lotto tickets supports general fund and capitol construction fund
  - Video lottery revenue supports property tax reduction fund
- Currently offers five lotto games and launches an average of 28 instant tickets every year
- Approximately 600 instant/lotto retailers and 1,400 video lottery establishments

## *COMMISSION ON GAMING*

The South Dakota Commission on Gaming, comprised of five commissioners, is responsible for regulating the gaming industry in the City of Deadwood, pari-mutuel horse racing and pari-mutuel wager, and administering Indian gaming compacts.

The Commission on Gaming maintains offices in Pierre and

# Creating Partnerships

Deadwood and employs approximately 16 individuals, including investigators, auditors, accountants, administrative assistants, inspectors, and an executive secretary.

The Commission is supported by the commission fund, which is comprised of revenues from annual device fees, licensing fees, other miscellaneous revenue and the gaming tax collected from Deadwood. By law, most of the money generated from these taxes and fees is distributed to the City of Deadwood and other local government bodies in Lawrence County.

.....

## Don't forget about DOR's E-Services

*EPath* - Electronically file or pay your 911 Prepaid Wireless Emergency Surcharge, 911 Emergency Surcharge, or Motor Fuel Supplier taxes.

*SD Cars* - Online access to renew vehicle registrations, print Seller's Permit, Report of Sale, check Personalized License Plates availability, select how your renewal notice is received, or look up the list of the County Offices in South Dakota.

*Tax License Application* – Apply online for the following types of tax licenses: Contractor's Excise, Manufacturer, Sales, Use, Wholesaler, and all Motor Fuel tax types.

*911 Emergency Surcharge Registration* – Register online for a 911 Emergency Surcharge registration number.

*Tax Match* – Look up sales and use tax rates for addresses in South Dakota.

# Resources Page

For tax answers, call toll-free 1-800-829-9188, or visit our website.

## **Field offices:**

Pierre Revenue Main Office: 445 East Capitol Ave, Pierre, SD 57501; 605.773.3311

Aberdeen Revenue Office: 419 Moccasin Drive, Aberdeen, SD 57401; 605.626.2218

Mitchell Revenue Office: 417 North Main, Suite 112, Mitchell, SD 57301; 605.995.8080

Rapid City Revenue Office: 1520 Haines Ave, Suite 3, Rapid City, SD 57701; 605.394.2332

Sioux Falls Revenue Office: 300 South Sycamore Avenue, Suite 102, Sioux Falls, SD 57110; 605.367.5800

Watertown Revenue Office: 715 South Maple, Watertown, SD 57201; 605.882.5188

Yankton Revenue Office: 1900 Summit Street, Yankton, SD 57078; 605.668.2939

## **Lottery Offices:**

Pierre Lottery Main Office: 711 E. Wells Ave, Pierre, SD 57501; 605.773.5770

Sioux Falls Lottery Office: 3824 S. Western Ave, Sioux Falls, SD 57105; 605.367.5840

Rapid City Lottery Office: 1000 Cambell Street, Suite 2, Rapid City, SD 57701; 605.394.5106

## **Gaming Offices:**

Pierre Gaming Main Office: 221 W. Capitol, Suite 101, Pierre, SD 57501. 605.773.6050

Deadwood Gaming Office: 87 Sherman Street, Deadwood, SD, 57732; 605.578.3074