



# Taxation News

Department of Revenue

Gary Viken, Secretary



### Calling all Filers!!

Are you filing multiple returns? The Department of Revenue reminds everyone filing multiple returns to double check your I.D. numbers. Before you submit your return, make sure your return contains all of the correct information.

Also, after each separate return is submitted, filers will receive a confirmation number.

For more information on SD QUEST, call us toll free at 1-800-TAX-9188 or on the web at [www.state.sd.us/revenue](http://www.state.sd.us/revenue)

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### Taxation News

is a quarterly publication from the South Dakota Department of Revenue  
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Want to receive revenue news via e-mail? Please send your e-mail address (along with your tax license number) to [webman@state.sd.us](mailto:webman@state.sd.us)

## July 2002 Municipal Tax

The following municipal sales tax rate changes go into effect July 1, 2002. Note the new tax rate and new reporting codes if you report municipal tax in these municipalities.

**Blunt** (034-2) is increasing its tax rate on alcoholic beverages from 1% to 2%, and is implementing a 1% general sales and use tax rate (\*034-3).

**Glenham** (\*145-2) is implementing a 2% general sales and use tax rate and a 1% rate on Food as defined by the Food Stamp Act (145-1). The city is also exempting from city sales tax construction materials delivered to the truck of a construction company for use OUTSIDE city limits.

**Hoven** (\*171-2) is increasing its general sales and use tax rate from 1% to 2% and the rate on Food as defined by the Food Stamp Act (171-3) remains at 1%.

**Lead** (\*204-6) is repealing the exemption on construction materials delivered to a truck of a construction company for use OUTSIDE city limits and tangible personal property sold to mining companies for use OUTSIDE city limits from its 2% general sales and use tax rate.

**Wagner** (\*369-2) is exempting from city sales tax construction materials delivered to the truck of a construction company for use OUTSIDE city limits.

A listing of municipalities with a sales/use tax as of July 1, 2002 appears on page 5 of this newsletter. Complete information is also available at our website at [www.state.sd.us/revenue](http://www.state.sd.us/revenue)

# Dates to Remember

## Schedule of Events

### July

July 4 -- Independence Day. Revenue offices closed.

July 10-11 -- Business Workshop, Vermillion.

July 20 -- Paper returns and payments due for monthly filers.

July 23 -- SD QUEST returns due for monthly filers.

July 30 -- SD QUEST electronic payments due.

July 31 -- Paper returns and payments due for bi-monthly, seasonal bi-monthly, semi-annual, summer annual filers.

### August

August 5-11 -- Sturgis Motorcycle Rally, Sturgis.

August 20 -- Paper returns and payments due for monthly filers.

August 23 -- SD QUEST returns due for monthly and seasonal monthly filers.

August 30 -- SD QUEST electronic payments due.

### September

September 2 -- Labor Day. Revenue offices closed.

September 11-12 -- Business Workshop, Mitchell.

September 20 -- Paper returns and payments due for monthly and seasonal monthly filers.

September 23 -- SD QUEST returns due for monthly and seasonal monthly filers.

September 25-26 -- Business Workshop, Sioux Falls.

September 27 -- SD QUEST electronic payments due.

September 30 -- Paper returns and payments due for bi-monthly, seasonal bi-monthly, and fall annual filers.

### July 2002

Sun	Mon	Tues	Wed	Thur	Fri	Sat
	1	2	3	4 	5	6
7	8	9	10 	11 	12	13
14	15	16	17	18	19	20 
21	22	23 	24	25	26	27
28	29	30 	31 			

### August 2002

Sun	Mon	Tues	Wed	Thur	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
	Sturgis Motorcycle Rally 					
11	12	13	14	15	16	17
18	19	20 	21	22	23 	24
25	26	27	28	29	30 	31

### September 2002

Sun	Mon	Tues	Wed	Thurs	Fri	Sat
1	2 	3	4	5	6	7
8	9	10	11 	12 	13	14
15	16	17	18	19	20 	21
22	23 	24	25 	26 	27 	28
29	30 					

## Business Education Program

Come join our Business Education Program at one of our workshop's or seminar's in your area. The Department offers a number of seminars that cover different tax issues facing new and existing business owners. For the most current list of seminars visit us on the web at [www.state.sd.us/revenue/classreg.htm](http://www.state.sd.us/revenue/classreg.htm). All seminars and workshops are free of charge.

### 2-Day Business Workshop

This workshop is excellent for new business owners or as a refresher course. Information regarding the IRS, Dept. of Revenue, Dept. of Labor, Social Security and OSHA will be covered.

**July 10-11, 2002**  
Vermillion, SD

**October 2-3, 2002**  
Aberdeen, SD

**September 11-12, 2002**  
Mitchell, SD

**October 16-17, 2002**  
Rapid City, SD

**September 25-26, 2002**  
Sioux Falls, SD

### Border Issue Seminars

Border Issue Seminars cover the differences in the tax application and reporting processes between South Dakota and our neighboring states of Iowa, Minnesota, Nebraska and North Dakota.

#### NE/SD Border Issues Seminars

**Sales Tax**  
**September 10, 2002**  
Norfolk, NE

**Contractors' Excise Tax**  
**September 11, 2002**  
Norfolk, NE

**Sales Tax**  
**September 18, 2002**  
Rapid City, SD

**Contractors' Excise Tax**  
**September 19, 2002**  
Rapid City, SD

#### IA/SD Border Issues Seminars

**Sales Tax**  
**October 2, 2002**  
Sioux Falls, SD

**Contractors' Excise Tax**  
**October 2, 2002**  
Sioux Falls, SD

## New Law Prohibits Smoking in Most SD Businesses



Effective July 1, 2002, most indoor worksites and public places in South Dakota will be smoke-free under the state's first comprehensive clean indoor air law, passed by the 2002 South Dakota Legislature. The legislation is designed to reduce the health hazards of secondhand smoke.

Smoke-free Indoor Worksites and Public Places. The new law amends SDCL 22-36-2 to prohibit smoking in most indoor worksites and public places. The requirement applies to both public and private employers. The law makes a presumption of a "smoke-free" indoors, unless the worksite or public place is specifically exempted. Designated smoking rooms and areas are no longer permitted in enclosed indoor worksites or public places.

Exemptions. The smoke-free indoor requirement is optional for any facility that has an alcoholic beverage, video lottery or gaming license. In addition, the new law does not apply to hotel sleeping rooms or to private residences, except when the residence is used for daycare purposes.

Enforcement. States, communities and businesses that have implemented smoke-free laws and policies report that the laws are self-enforcing once customers and employees are made aware of the smoke-free status through signage and other communications. However, if there is a violation that cannot be remedied voluntarily, it should be reported to local law enforcement like any other code violation. The violation is a petty offense and subject to a \$20 fine.

More Information. If you have any questions about the new law, or would like more information about helping your employees quit smoking, the benefits of a smoke-free worksite, or how to make the smoke-free transition, please send e-mails to [tobaccofree@americanlungsd.org](mailto:tobaccofree@americanlungsd.org) or contact the South Dakota Tobacco-Free Kids Network at (605) 336-7222. "Smoke-free building" static-cling window signs are available free of charge by calling the American Cancer Society at (800) 214-1966.

*(This article was provided by the SD Department of Health)*

## Ask Dr. Revenue

Dear Dr. Revenue:

After a recent internal audit of my business, we found that a vendor of ours was over charging sales tax to my company over the last three months. How do I recover this lost revenue?

Sincerely,  
Confused in Custer

Dear Confused in Custer:

You are not alone on this issue. The Department of Revenue has come across this issue a couple of times this last spring and offers the following advice:

*If a vendor overcharged you sales tax, you should contact that individual vendor for a refund or credit. As the customer, you cannot apply for a refund directly with the Department of Revenue. The Department of Revenue issues refunds or credits only to those who paid tax directly to the state. The vendor could file an amended return with our department after the refund or credit is issued to the customer.*

I hope this clears up any confusion on what to do when you have been overcharged sales tax.

Sincerely,  
Dr. Revenue

If you have a question regarding South Dakota Tax Code, please contact us at:

SD Dept of Revenue  
Business Tax Division  
445 E. Capital Avenue  
Pierre, SD 57501-3185  
1-800-TAX-9188  
E-mail: bustax@state.sd.us

## New License Plate Technology for South Dakota

The Department of Revenue, Division of Motor Vehicles and Governor Janklow proudly announce a new license plate design for Firefighters. Governor Janklow presented the new plate design at a dedication ceremony on June 7, at the State Fire School in Pierre.

The new design is made of a lightweight aluminum and uses 3M *Scotchlite* Reflective Sheeting. The new plates will no longer be embossed (stamped), giving them a flat, sleek appearance. The actual graphic design of the license plates will continue to be red, white and blue.

The new design also means cost savings for the state of South Dakota. Since the new license plates are lightweight and flat, they will use less storage space and cost less to mail.

The new plates will continue to be produced at Pheasant Land Industries in Sioux Falls. The 3M Corporation from St. Paul developed the new technology called the Digital License Plate (DLP) System. DLP will run on Microsoft Windows 2000 Professional (NT) operating system package and can utilize a number of different graphic art packages.

The next reissue will be the Disabled Person's license plate. You can expect to see general issue plates using the new technology sometime before the Summer of 2004.

## Tourism Tax Reminder

Will you be participating in Summer craft shows, stock shows or gun shows? Remember to apply the 1% tourism tax to admissions and sales.

Also, fishing guide services and the rental of fishing equipment is subject to the tourism tax.

# July 2002 Municipal Tax Rates

City	Codes	%Rate	City	Codes	%Rate	City	Codes	%Rate	City	Codes	%Rate	City	Codes	%Rate
Aberdeen	001-1	1.0	Custer	088-2	3.0	Hoven	171-3	1.0	Mt. Vernon*	248-2	2.0	Toronto*	347-1	1.0
Aberdeen*	001-3	2.0	Dallas*	089-1	1.0	Hoven*	171-2	2.0	Mt. Vernon	248-3	3.0	Trent*	349-1	1.0
Aberdeen	001-5	3.0	Davis	091-1	1.0	Howard	172-1	1.0	Murdo	250-7	1.0	Tripp	350-3	1.0
Alcester*	006-1	1.0	Davis*	091-2	2.0	Howard*	172-2	2.0	Murdo*	250-2	2.0	Tripp*	350-2	2.0
Alexandria	007-4	1.0	Deadwood	093-8	1.0	Humboldt	175-4	1.0	Murdo	250-3	3.0	Tulare	351-1	1.0
Alexandria*	007-2	2.0	Deadwood*	093-2	2.0	Humboldt*	175-2	2.0	New			Tyndall*	355-1	1.0
Alpena*	009-1	1.0	Deadwood	093-3	3.0	Humboldt	175-5	3.0	Underwood*	254-1	2.0	Valley		
Arlington	013-3	1.0	Dell Rapids	094-4	1.0	Hurley	176-4	1.0	Newell	255-1	1.0	Springs*	359-1	1.0
Arlington*	013-2	2.0	Dell Rapids*	094-2	2.0	Hurley*	176-2	2.0	Newell*	255-2	2.0	Veblen*	360-1	1.0
Armour	014-3	1.0	Dell Rapids	094-5	3.0	Huron	177-6	1.0	Nisland	256-3	1.0	Vermillion	362-1	1.0
Armour*	014-2	2.0	Delmont	095-3	1.0	Huron*	177-2	2.0	Nisland*	256-2	2.0	Vermillion*	362-2	2.0
Artesian	015-1	1.0	Delmont*	095-2	2.0	Huron	177-3	3.0	North Sioux			Vermillion	362-3	3.0
Artesian*	015-2	2.0	DeSmet	092-4	1.0	Interior	179-1	1.0	City	258-1	1.0	Viborg	363-1	1.0
Avon	020-3	1.0	DeSmet*	092-2	2.0	Interior*	179-2	2.0	North Sioux			Viborg*	363-2	2.0
Avon*	020-2	2.0	Doland*	098-1	1.0	Ipswich	181-5	1.0	City*	258-2	2.0	Volga*	367-1	1.0
Baltic	022-3	1.0	Dupree*	101-1	1.0	Ipswich*	181-6	2.0	Oacoma	261-4	1.0	Volin*	368-1	1.0
Baltic*	022-2	2.0	Eden*	103-1	1.0	Irene	182-1	1.0	Oacoma*	261-3	2.0	Wagner	369-1	1.0
Belle Fourche	027-1	1.0	Edgemont	104-4	1.0	Irene*	182-2	2.0	Oacoma	261-5	3.0	Wagner*	369-2	2.0
Belle Fourche*	027-2	2.0	Edgemont*	104-2	2.0	Iroquois*	183-1	1.0	Olivet*	267-1	1.0	Wakonda*	370-1	1.0
Belle Fourche	027-3	3.0	Egan	105-3	1.0	Isabel*	184-1	1.0	Onida	269-3	1.0	Wall	372-1	1.0
Belvidere	028-4	1.0	Egan*	105-2	2.0	Java*	185-1	1.0	Onida*	269-2	2.0	Wall*	372-2	2.0
Belvidere*	028-2	2.0	Elk Point	106-3	1.0	Jefferson	186-3	1.0	Parker	276-1	1.0	Wall	372-3	3.0
Beresford	029-3	1.0	Elk Point*	106-4	2.0	Jefferson*	186-2	2.0	Parker*	276-2	2.0	Warner	376-1	1.0
Beresford*	029-2	2.0	Elkton	107-3	1.0	Kadoka	187-3	1.0	Parkston	277-1	1.0	Warner*	376-2	2.0
Blunt*	034-3	1.0	Elkton*	107-2	2.0	Kadoka*	187-4	2.0	Parkston*	277-2	2.0	Wasta*	377-1	1.0
Blunt	034-2	2.0	Emery	110-4	1.0	Kadoka	187-5	3.0	Parkston	277-3	3.0	Watertown	379-1	1.0
Bonesteel*	035-1	1.0	Emery*	110-2	2.0	Kennebec*	190-1	1.0	Philip	280-3	1.0	Watertown*	379-2	2.0
Bowdle*	036-1	1.0	Estelline*	113-1	1.0	Keystone*	192-1	2.0	Philip*	280-2	2.0	Watertown	379-3	3.0
Box Elder	037-4	1.0	Ethan	114-3	1.0	Keystone	192-2	3.0	Pickstown*	281-1	1.0	Waubay	380-3	1.0
Box Elder*	037-2	2.0	Ethan*	114-2	2.0	Kimball	193-4	1.0	Pierre*	284-6	2.0	Waubay*	380-2	2.0
Box Elder	037-5	3.0	Eureka	115-1	1.0	Kimball*	193-2	2.0	Pierre	284-7	3.0	Webster	382-1	1.0
Brandon	039-4	1.0	Eureka*	115-2	2.0	Lake Andes	197-7	1.0	Plankinton	286-1	1.0	Webster*	382-2	2.0
Brandon*	039-2	2.0	Faith*	119-1	1.0	Lake Andes*	197-2	2.0	Plankinton*	286-2	2.0	Wentworth*	383-1	1.0
Brandt*	040-1	1.0	Faulton	121-3	1.0	Lake			Platte	287-1	1.0	Wessington*	384-1	1.0
Bridgewater	042-3	1.0	Faulton*	121-2	2.0	Norden*	199-1	1.0	Platte*	287-2	2.0	Wessington		
Bridgewater*	042-2	2.0	Flandreau	125-4	1.0	Lake Preston	200-1	1.0	Platte	287-3	3.0	Springs	385-1	1.0
Bristol*	043-1	1.0	Flandreau*	125-2	2.0	Lake			Pollock*	288-1	1.0	Wessington		
Britton	044-1	1.0	Flandreau	125-3	3.0	Preston*	200-2	2.0	Presho*	291-1	1.0	Springs	385-2	2.0
Britton*	044-2	2.0	Florence*	126-1	1.0	Langford*	202-1	1.0	Ramona*	297-1	1.0	White Lake*	389-1	1.0
Brookings	045-3	1.0	Ft. Pierre	129-6	1.0	Lead	204-6	1.0	Rapid City*	298-2	2.0	White River	391-1	1.0
Brookings*	045-4	2.0	Ft. Pierre*	129-2	2.0	Lead*	204-2	2.0	Rapid City	298-3	3.0	White River*	391-2	2.0
Brookings	045-5	3.0	Ft. Pierre	129-3	3.0	Lead	204-3	3.0	Redfield	301-1	1.0	White River	393-1	1.0
Bryant*	047-1	1.0	Freeman	133-3	1.0	Lemmon	206-1	1.0	Redfield*	301-2	2.0	Whitewood*	393-2	2.0
Buffalo*	048-1	1.0	Freeman*	133-2	2.0	Lemmon*	206-4	2.0	Redfield	301-7	3.0	Willow Lake	394-1	1.0
Burke	053-3	1.0	Garretson	138-3	1.0	Lennox	207-4	1.0	Reliance	305-3	1.0	Willow Lake*	394-2	2.0
Burke*	053-2	2.0	Garretson*	138-2	2.0	Lennox*	207-2	2.0	Reliance*	305-2	2.0	Wilmot*	395-1	1.0
Canistota	055-4	1.0	Gary*	139-1	1.0	Leola*	208-1	1.0	Roscoe*	312-1	1.0	Winner	397-1	1.0
Canistota*	055-2	2.0	Geddes	141-3	1.0	Letcher	210-1	1.0	Rosholt*	314-1	1.0	Winner*	397-2	2.0
Canova	056-3	1.0	Geddes*	141-2	2.0	Letcher*	210-2	2.0	Roslyn*	315-1	1.0	Witten*	398-1	1.0
Canova*	056-2	2.0	Gettysburg	142-1	1.0	McCook Lake	258-1	1.0	Salem	322-1	1.0	Woonsocket	401-3	1.0
Canton	057-6	1.0	Gettysburg*	142-2	2.0	McCook			Salem*	322-2	2.0	Woonsocket*	401-2	2.0
Canton*	057-5	2.0	Gettysburg	142-3	3.0	Lake*	258-2	2.0	Scotland	324-3	1.0	Worthing	402-3	1.0
Carthage*	061-1	1.0	Glenham	145-1	1.0	McIntosh*	219-1	1.0	Scotland*	324-2	2.0	Worthing*	402-2	2.0
Castlewood	062-3	1.0	Glenham*	145-2	2.0	McLaughlin*	220-1	1.0	Selby*	325-1	1.0	Worthing	402-4	3.0
Castlewood*	062-2	2.0	Gregory	147-1	1.0	Madison	221-3	1.0	Sherman*	328-1	1.0	Yankton	405-1	1.0
Centerville	065-1	1.0	Gregory*	147-2	2.0	Madison*	221-2	2.0	Sioux Falls	330-8	1.0	Yankton*	405-2	2.0
Centerville*	065-2	2.0	Groton	149-1	1.0	Madison	221-6	3.0	Sioux Falls*	330-2	2.0	Yankton	405-3	3.0
Central City	066-1	1.0	Groton*	149-2	2.0	Marion	226-3	1.0	Sioux Falls	330-3	3.0			
Central City*	066-2	2.0	Groton	149-5	3.0	Marion*	226-2	2.0	Sioux Falls	800-1	1.0			
Chamberlain	067-1	1.0	Harrisburg	151-1	1.0	Martin	227-1	1.0	Sisseton	331-3	1.0			
Chamberlain*	067-2	2.0	Harrisburg*	151-2	2.0	Martin*	227-2	2.0	Sisseton*	331-2	2.0			
Chamberlain	067-3	3.0	Harold*	153-1	1.0	Martin	227-3	3.0	Spearfish*	334-2	2.0			
Chancellor	068-4	1.0	Hartford	154-4	1.0	Menno*	233-1	1.0	Spearfish	334-3	3.0			
Chancellor*	068-2	2.0	Hartford*	154-2	2.0	Midland	234-3	1.0	Spencer	335-3	1.0			
Chancellor	068-5	3.0	Hartford	154-5	3.0	Midland*	234-2	2.0	Spencer*	335-2	2.0			
Clark	073-3	1.0	Hayti*	156-1	1.0	Milbank	235-3	1.0	Springfield*	336-1	1.0			
Clark*	073-2	2.0	Henry*	159-1	1.0	Milbank*	235-2	2.0	Stickney	337-3	1.0			
Clear Lake	075-4	1.0	Hermosa	160-3	1.0	Milbank	235-4	3.0	Stickney*	337-2	2.0			
Clear Lake*	075-2	2.0	Hermosa*	160-2	2.0	Miller	237-1	1.0	Stratford*	340-1	1.0			
Colman*	076-1	1.0	Herried*	161-1	1.0	Miller*	237-2	2.0	Sturgis	341-6	1.0			
Colome	077-1	1.0	Highmore	164-3	1.0	Mission	239-1	1.0	Sturgis*	341-2	2.0			
Colome*	077-2	2.0	Highmore*	164-2	2.0	Mission*	239-2	2.0	Sturgis	341-3	3.0			
Colton	078-4	1.0	Hill City	165-5	1.0	Mitchell*	242-2	2.0	Summit*	342-1	1.0			
Colton*	078-2	2.0	Hill City*	165-2	2.0	Mitchell	242-3	3.0	Tabor*	343-1	1.0			
Colton	078-3	3.0	Hill City	165-3	3.0	Mobridge	243-4	1.0	Tea	344-4	1.0			
Corsica	082-1	1.0	Hitchcock*	166-1	1.0	Mobridge*	243-3	2.0	Tea*	344-2	2.0			
Corsica*	082-2	2.0	Hosmer*	168-1	1.0	Monroe*	244-1	1.0	Tea	344-5	3.0			
Crooks	087-3	1.0	Hot Springs	169-9	1.0	Montrose	245-4	1.0	Timber Lake	345-3	1.0			
Crooks*	087-2	2.0	Hot Springs*	169-4	2.0	Montrose*	245-2	2.0	Timber					
Custer*	088-1	2.0	Hot Springs	169-5	3.0	Mt. Vernon	248-1	1.0	Lake*	345-2	2.0			



Department of Revenue  
445 East Capitol Avenue  
Pierre, SD 57501-3100

Forwarding Service Requested

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## Insights...from the Secretary of Revenue



The summer months are once again upon us . . . and with school out, our tourism season will soon be in full swing again. From recent news reports on how Americans are likely to travel and vacation this summer in light of the 9-11 disaster, it sounds like regional vacation destinations like those we have to offer in South Dakota are expected to be popular choices. With tourism business comes reporting and remitting of the tourism tax, so I'd like to take this opportunity to remind our many seasonal businesses that they should refresh themselves on the legal requirements relating to this tax.

Summer is also typically a time when transient merchants pass through our state selling their goods and services . . . often without becoming licensed for sales tax and/or contractors' excise tax purposes. It goes without saying that to be competitive as a business requires that all businesses play by the same rules. So if you suspect that unlicensed merchants or contractors are operating in your area, please contact our department so that we can ensure that everyone is playing by the same rules when it comes to collection and remittance of sales or contractors' excise taxes. You owe it to yourself as a law-abiding business owner.

Should you have questions on how South Dakota's tax laws apply to your particular business situation, please take advantage of our toll-free tax assistance line, 1-800-TAX-9188, or visit us on the WEB at [www.state.sd.us/revenue/](http://www.state.sd.us/revenue/). We would also like to hear from you if you think a special tax bulletin or taxpayer workshop should be offered on an area of tax law or policy which is causing confusion or you think needs more clarification. Our goal is to ensure that taxpayers understand the state's requirements.

The staff of the Department of Revenue hope that each of you have an enjoyable and prosperous summer!