

South Dakota

Department of Revenue

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Fall 2015

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Motor Vehicles:
1.605.773.3541

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Gaming Commission:
1.605.773.6050

Useful Links

State of South Dakota home

SD Cars-Customer Portal

SD Cars-Business Portal

South Dakota EPath

DEPARTMENT OF REVENUE

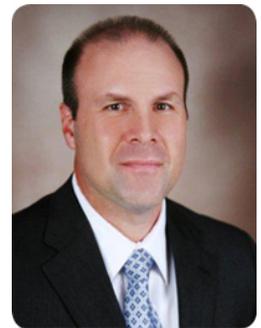
Message from the Secretary

What a great summer in South Dakota! I think we can all agree that two of our annual events, the Sturgis Motorcycle Rally and the State Fair, were better than ever. These two South Dakota institutions proved to be a true success for their participants and our state in every way. The Department of Revenue was proud to assist both events by both licensing vendors and administering the taxes at their respective locations.

Property taxes are something that affects nearly all of us. While we may not like paying them, it is important to keep in mind they are the key component in funding local government services and school districts. The Legislatures Agriculture Land Assessment Task Force has done excellent work in recent years by working with county Directors of Equalization to ensure agricultural land is assessed at an accurate level, while keeping in mind the commercial and owner-occupied property tax payers are assessed fairly as well. Please see an example of their efforts on page 5 of our newsletter.

Like you, I am always looking for the quickest and most efficient way to make a transaction. Our Division of Motor Vehicles has your time in mind too and has increased its electronic options to make life easier. Now included for Blender and Liquid Propane Vendor taxpayers is a new electronic option in which you can remit your monthly tax returns. The DMV also encourages you to renew your vehicle registration online through our MySD Cars system. You can create your own account which lists all of your vehicles and when their registrations are due and their amount (see our articles and video on page 3).

Finally, your opinion is important to us! In the coming weeks, we will be sending you a short survey on what you would like to see in our newsletters and how often you would like them published. Please take the time to give us some feedback so we can meet your needs!



Andy Gerlach

Professional
Dependable
Accountable

Visit the Department of Revenue on social media



South Dakota unveils new license plate design



Pictured is the new design for Non-Commercial Standard Plates. The new plates are available Jan. 1, 2016.

PIERRE, S.D., -- An image of the new license plate design for the 2016 South Dakota license plate reissue was unveiled Oct. 23.

The current plate design has identified South Dakota motor vehicles since 2006. Many existing plates are succumbing to age, damage, and loss of reflectivity, all of which can create readability problems.

The design was a cooperative effort between Governor Dugaard, the Department of Revenue Motor Vehicle Division and the South Dakota Department



Some great faces helped unveil the new plate design.

of Tourism and reflects a partnership in promoting South Dakota. The new license plates will be issued beginning Jan. 1, 2016.

Department of Revenue Secretary, Andy Gerlach, said, "The 2016 reissue will add up to approximately 1.5 million non-commercial vehicle and motorcycle plates consisting of the standard plate, the emblem plate, personalized plates, amateur radio, low-speed vehicles and the commercial radio plate."

The license plate reissue contract was awarded to Intellectual Technology, Inc., (ITI) from Fort Wayne, Ind., through a

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75th Sturgis Rally brings record numbers to DOR

Tax revenue from the 2015 Sturgis Motorcycle Rally was up 76 percent from the previous year, according to the latest figures available from the South Dakota Department of Revenue.

Total tax revenue during the rally period was \$2,401,590 compared to \$1,361,924 from a year ago. Total temporary vendor sales were \$33,184,531. There were 1,438 vendors in the Black Hills during the 2015 Sturgis Motorcycle Rally, which broke the previous record set in 2005 of 1,393 vendors.

The Department of Revenue reports that sales and tourism tax revenues collected from temporary vendors at this year's rally totaled \$1,887,298 in the Northern Black Hills, which includes Sturgis and all other communities in Meade and



The 75th Sturgis Motorcycle brought in a 76-percent tax revenue increase from 2014.

Lawrence counties. Those revenues are up 74 percent, or \$805,452 from last year's total of \$1,081,846. Of the \$1,887,298 collected so far this year in the Northern Black Hills, \$1,049,683 was state sales tax, \$428,834 was municipal sales tax, \$17,472 was municipal gross receipts tax and \$391,309 was state tourism tax revenue.

The Southern Black Hills, including Rapid City, Custer, Hill City and Keystone, along with Pennington County, posted vendor sales tax revenues of \$514,292. Of that amount, \$277,698 was state sales tax, \$127,279 was municipal sales tax, \$5,178 was municipal gross receipts tax and \$104,137 was state tourism tax. Those revenues are up \$234,214, or 84 percent, from the \$280,078 reported in 2014.

"The 75th Sturgis Motorcycle Rally was a great event that will be remembered for many years in South Dakota," Andy Gerlach, Secretary of the South Dakota Department of Revenue said. "I'm pleased the Department of Revenue was able to assist vendors and local governments in making the Rally a success."

New Powerball Game Launches

The latest incarnation in Powerball went on sale at South Dakota Lottery retailers Oct. 4.



Among the changes are better overall odds of winning any prize, a substantial increase in the game's third prize from \$10,000 to \$50,000, and a chance to players to multiply most winnings by up to 10 times when the Powerball jackpot is at \$150 million or less.

While the price per play will remain at \$2 (with an additional \$1 for the Power Play option) and the process for purchasing a Quick Pick won't change, players who choose their own numbers will need to pick up a new play slip.

Players will now choose five white ball numbers from 1 to 69 (up from 1 to 59) and a red Powerball number from 1 to 26 (down from 1 to 35). The new play slips are available at all lottery retailers as well as the Lottery's validation centers in Pierre, Rapid City and Sioux Falls.

The last changes to the Powerball game were made in 2014 when the Power Play random multiplier option was returned to the game. Powerball is currently played in 44 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands; drawings are held Wednesday and Saturday nights. For more information, visit lottery.sd.gov.

State Fair revenues increase from 2014

PIERRE, S.D. –Tax revenues from the 2015 South Dakota State Fair are higher than the previous year's numbers, according to the figures released by the Department of Revenue. The latest figures available show the five-day fair in Huron, SD raised \$171,736 in total tax revenues collected so far, which exceeds 2014's total of \$166,234. The fair featured a total of 466 vendors.

Of the \$171,736 collected, \$86,827 was state sales tax, \$43,414 was municipal sales tax, \$32,560 was state tourism tax, and \$8,935 was municipal gross receipts tax.

"The state fair is a great event for the state of South Dakota," said DOR Business Tax Director Doug Schinkel. "The Department of Revenue is proud to partner with the Department of Agriculture to make it a successful event."

Tax revenues from this year's fair will continue to be collected over the next few weeks, even though the fair officially ended Sept. 7.

Type of Vendors at the 2015 State Fair



DMV adds to its EPath Services

The Division of Motor Vehicles is excited to announce the expansion of its electronic services.



The expansion will take place on the Department of Revenue's online system, EPath. Beginning in October, the addition of the Blender and Liquefied Petroleum Gas (LPG) motor fuel tax returns will be

available on EPath.

The online method of payment is the continuation of the Division's goal to make all motor fuel tax returns available electronically through a safe and secure environment.

EPath allows users to file and pay electronically with multiple payment options. In addition, users can upload tax returns and schedules. Customers are able to view their returns and account activity at any time.

For more information on the motor fuel taxes, visit http://dor.sd.gov/Motor_Vehicles/Motor_Fuel/ or visit <https://sd.gov/epath>

Go online with MySDCars

Join the growing number of South Dakotans who are enjoying the convenience of MYSDCars.

During the Fiscal Year of 2015 (July 1, 2014 - June 30, 2015), more than 71,163 South Dakota vehicle registrations were renewed online.

Renewing your vehicles registration is just one of the many tasks you can complete online. Users may also report a sale, print a seller's permit, change their address or order certain speciality plates by using the plate on demand system. Visit <http://mysdcars.sd.gov> to get started, and please see the video below for a tutorial on how to set up an account.



SD DOR hosts 2015 MSATA Conference



Malcom Chapman presents during one of the General Sessions at the 2015 MSATA Conference in Rapid City.

Education, camaraderie, and entertainment were recently themes in Rapid City when the South Dakota Department of Revenue hosted the 2015 MSATA Conference.

The MSATA (Midwestern States Association of Tax Administrators) Conference brought visitors from states such as Iowa, Nebraska, Minnesota, Indiana, Illinois, and North Dakota to the Mount Rushmore State for four days. The conference, which was the first held in South Dakota since 2000, had an attendance of 150.

“Each year I look forward to MSATA,” South Dakota Department of Revenue Secretary Andy Gerlach said. “It is the best annual conference in which to learn from your peers, along with renewing friendships and developing new ones”

from several MSATA states participate in putting together the event, but please pass along to those from South Dakota what an outstanding job they did and that it did not go unnoticed.”

Whether through one of the general sessions, the breakout sessions, or a visit to one of South Dakota’s top attractions, MSATA proved to be valuable throughout each of the four days. All MSATA attendees were treated to four general sessions throughout the conference—each of which provided a unique set of information. The conference began with a welcome to South Dakota from Lieutenant Governor Matt Michels, which set the tone for an effective and engaging conference.

The general sessions kicked off with the Commissioner’s Panel, which pertained to the topic of Cybersecurity. Protecting the privacy of tax payers is a top priority for all tax administrators, which made the opening session an invaluable one.

The panel included South Dakota’s Andy Gerlach, Oklahoma’s Dawn Cash, Minnesota’s Cynthia Bauerly, Wisconsin’s Rick Chandler, and Iowa’s Stuart Vos—each of whom gave a presentation on what measures his or her organization takes in order to protect taxpayers’ confidential information.

The rest of the general sessions throughout the conference covered a wide-array of subjects. Craig Johnson and Fred Nicely presented on the



The lighting ceremony at Mount Rushmore showcased one of South Dakota’s many attractions to MSATA attendees.

effects Federal Legislation has on State tax administration, Malcom Chapman discussed methods of leadership for all levels of employees, Dr. Ernie Goss discussed State economics, and Jay Vogt gave a spirited presentation on the history of South Dakota. In terms of variety, MSATA’s general sessions were just the tip of the iceberg. MSATA offered 14 breakout sessions, covering everything from audits to customer service. All attendees were able to choose which breakout sessions to attend, giving everyone the opportunity to plan a schedule around specific interests. The breakout sessions featured tax administrators from many states and organizations. The sessions also saw several SD DOR employees serve as presenters.

“I was very impressed with the quality of presentations,” said Gerlach. “Starting with Lieutenant Governor Michels address, our feature presenters, and staff from each state in the break-out sessions, they were all first rate.”

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The Commissioner’s Panel on cybersecurity demonstrated how multiple states protect the privacy of tax payers.

The four-day conference was the result of months of planning by the South Dakota Department of Revenue—a test that the hosts passed with flying colors.

“The Oklahoma contingent was very impressed with the efficient and hospitable manner with which your team juggled every detail,” Oklahoma Tax Commission Vice Chairman Dawn Cash wrote via email. “I know that staff

Dates and deadlines

Return Type	Due Date
September	
Monthly-Paper	10/20/2015
Custom-Paper	11/02/2015
EPath	10/23/2015
October	
Monthly-Paper	11/20/2015
Custom-Paper	11/30/2015
EPath	11/23/2015
November	
Monthly-Paper	12/21/2015
Custom-Paper	12/31/2015
EPath	12/23/2015
December	
Monthly-Paper	01/20/2016
Custom-Paper	02/01/2016
EPath	01/25/2016

Motor Vehicle Registration Dates

License plates are issued based on the first letter of your last name which then correlates to a particular month.

January- A/B

February- C/D/E

March- F/G/J

May- H/I/O

June- K/L

July- M/N

August- P/Q/R

September- S

November- T/U/V/W/X/Y/Z

Smart Skimming is not so smart!

The department is working hard to crack down on a new form of tax cheating called sales suppression. Computers have given us a multitude of data that wasn't available to us in the past, but they have also opened the door to new types of fraud. This technique uses software to do all the dirty work. Devices called zappers can download a program into a retailer's computer system that will suppress sales to make it appear as if they never happened. The worst part about electronic skimming from a tax standpoint is that it's silent and automatic!

Remember the 80's flic Mystic Pizza starring Julia Roberts? Last August the owner of the famed restaurant was sentenced to jail time for evading federal taxes to the tune of \$567,435 over four years. A lot of the money was concealed using a zapper. While this is the most recent and most famous place found

skimming electronically, it is certainly not the largest. Other examples include a company called Stew Leonard's Dairy was found to have zapped over \$17 million, and La Shish, a chain of Lebanese restaurants in Michigan zapped around \$20 million in federal and state tax dollars!

The audit division is training staff to recognize and detect the use of zappers in our state, but to date the largest cases of sales suppression use in the U.S. have been caught through whistle blowers. We can keep the playing field fair for all business with your help. If you have information about someone using a sales suppression device, please contact the department at 1-800-829-9188, or send a letter to:

SD Department of Revenue - Audit Tips
445 E Capitol Ave
Pierre, SD 57501

DOR wants your opinion!



The South Dakota Department of Revenue is looking to improve its external newsletter, and we need your help!

In the coming weeks, a short survey will be sent electronically to each of the DOR newsletter subscribers. This short survey will give readers the chance to give their opinions on everything from content to frequency of the newsletter.

Your participation is appreciated!

Commission on Gaming approves Texas Hold'em Poker side bet

The popular poker game Texas Hold'em could soon get an added twist at Deadwood casinos.

The South Dakota Commission

on Gaming's Sept. 24 meeting in Deadwood could result in change as the committee approved the addition of Hot Poker Spot to Texas Hold'em.

The measure, which was passed by a 3-1 vote, will now be heard by the Interim Rules Committee at its Nov. 9

meeting. If passed, South Dakota would join Arizona, California, and Washington as states that have implemented the rule.

The purpose of the Hot Poker Spot side bet is to keep more players actively engaged as it gives each hand the potential for multiple winners.

Under the rule, prior to the cards being dealt, the dealer will ask players to place side bets. The dealer then collects all of the side bets, which are placed into the

corresponding player position number on the side wager security bracket.

In order to remain eligible to win his or her side bet, a player must call the final bet on the given hand. After the final bet, a winner is determined in the traditional Texas Hold'em hand, but remaining players can still win their side bet without having the highest hand on the table.

In order to win the side bet, a player must

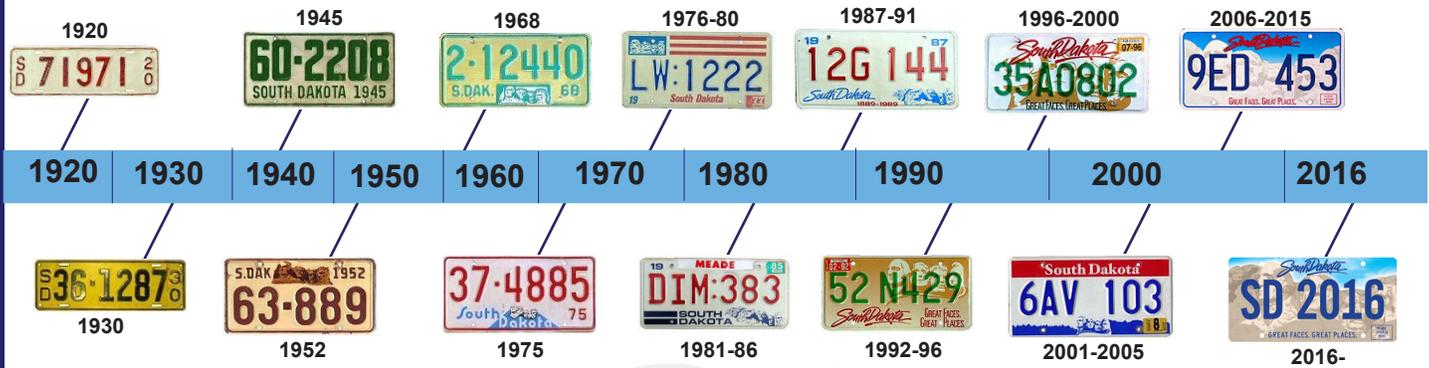
achieve a straight or better by using the two hole cards and any three of the five community cards. The only players folding at any point after the flop who are eligible for a side-bet payout are those players in "heads up" play.

Players who qualify with a straight can earn bigger prize payouts through a flush, full house, 4 of a kind, straight flush or royal flush.



South Dakota plates throughout the years

Did you know?
Until 1976, South Dakota used a new plate design nearly every year.



MSATA

from Page 4

For MSATA attendees, the time spent in a conference room wasn't the only source of learning as trips to Mount Rushmore and the Historic Deadwood provided a glimpse of two of South Dakota's top attractions.

The Mount Rushmore experience allowed visitors to walk the trail at the infamous monument, but the real showcase may have been a riveting lighting ceremony. The lighting ceremony not only included a presentation on the monument's history, but also featured the recognition of more than 200 service members—two of which were SD DOR's Darrin Gerry and Randy Eichacker.

"As a veteran it was an honor to be called upon the stage at Mount Rushmore and be recognized for taking an oath with my fellow veterans and current active duty members of our armed forces," Gerry said. "It was also an honor to see fellow participants of the MSATA conference up there to receive the recognition all service members deserve."

MSATA's encore to the moving ceremony at Mount Rushmore was a trip to Deadwood. Whether visitors were viewing the historic sites in the city or trying their luck at a machine or table, the activities at MSATA provided guests with a positive look at the South Dakota.

"This was my first visit to South Dakota, but I came home last night and told my wife we'll have to schedule another with the whole family," said Indiana Department of Revenue Commissioner Andrew Kossak via email.

The conference concluded when Gerlach presented the official MSATA gavel to Vos, setting the stage for next year's conference in Des Moines, Iowa.



Plates

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March 2015 request for proposal (RFP) issued by the Motor Vehicle Division. The RFP requested assistance to the Motor Vehicles Division with the implementation of a plate on demand system. ITI will oversee plate production along with servicing a fulfillment center in Brandon, S.D., to control quality, manage inventory and distribute license plates and annual vehicle registration cards through an on-demand system. The plate on demand system will reduce material waste while providing a higher level of customer service. The license plates will continue to be made at Pheasantland Industries located in the South Dakota State Penitentiary in Sioux Falls, S.D.

The new plate design will not be available until January 1, 2016, and can be acquired during a regular vehicle registration renewal period from several convenient methods: local county treasurer's office, self-service terminals (SSTs) throughout the state, and from the Motor Vehicle customer portal at <https://MySDCars.sd.gov>.



Pictured is the new design for Non-Commercial Emblem Plates, Motorcycle Plates, Personalized Plates, Low-Speed Vehicle Plates, and Amateur Radio Plates. The new plates are available Jan. 1, 2016.