

South Dakota

Department

R of Revenue

Phone: 605.773.3311
445 East Capitol Ave.
Pierre, SD 57501

Summer 2015 Newsletter

Inside This Issue...

Legislative changes for the Division of Motor Vehicles

Transient Vendor Information

Roulette, Keno, and Craps come to South Dakota casinos

Educational Dates

Municipal Tax Changes

Contact us

SD Department of Revenue
445 E Capitol Avenue
Pierre, SD 57501-3185

Website: <http://dor.sd.gov>

Phone: 1.605.773.3311

Taxpayer Assistance Center:
1.800.829.9188

Motor Vehicles:
1.605.773.3541

SD Lottery:
1.605.773.5770

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

Greetings from the Department of Revenue! I hope everyone is enjoying their summer so far.

As I drive across South Dakota, it is noticeably green as a result of our generous late spring rains—a beautiful sight in our state.

As State Government closed out fiscal year 2015, the Department of Revenue Sales and Use Tax figures showed a slight increase over the previous year, while Contractors' Excise Tax numbers showed an increase of close to 20 percent from 2014. The Contractors' Excise Tax figures are a reflection of a strong building and construction sector in many parts of the state.

The Department will be on hand at many summer events held throughout the state to assist with proper licensing and encourage tax compliance. At the forefront will be the 75th Sturgis Motorcycle Rally, in which 40 members of our staff spend two weeks at Sturgis, supporting vendor licensing and tax collection for both state and municipal governments.

From the local activities of county fairs and farmer's markets to the major events of the annual motorcycle rally and State Fair, Department staff will be available to answer questions and provide guidance on South Dakota's tax structure and laws. Please visit any of our office locations or call our toll-free taxpayer assistance line (1.800.829.9188). It is available Monday through Friday from 8 a.m. to 5 p.m.

REMINDER...The Department is now offering the option of paying by credit card for EPath users. This expansion of acceptable payment options in our online filing system, is allowing more of our customers the opportunity to file electronically. Get online and save time!

I hope you enjoy this edition of our newsletter and wish you all the best!



Andy Gerlach
Andy Gerlach

Professional
Dependable
Accountable

Visit the Department of Revenue on social media



/sdrevenue



/sdrevenue



/SouthDakota/Dor

Final stage of Highway Funding Bill goes into effect

The 2015 legislative session provided many changes for those in South Dakota who are behind the wheel. Of those changes, the Highway Funding Bill was the most impactful for South Dakota vehicle drivers. The bill provides road and bridge funding throughout the state. A portion of that funding went into effect April 1, such as changes to license fees for most non-commercial vehicles, an increase in excise tax, and higher speed limits, but the turning of the calendar to the month of July has brought one last change:

- Beginning July 1, the license fees for non-commercial vehicles with a gross weight over 20,000 pounds increased from 60 percent of the commercial rate to 70 percent.

In addition to the Highway Funding Bill, the Division of Motor Vehicles saw other changes in policy due to the 2015 Legislative session. Those changes include:

- **HB 1113**—repeals the damage disclosure requirements for motor vehicle and boat titles. Although damage disclosures will no longer be required on new title transactions, prior damage will remain on titles and vehicle history. The act

also changes qualifications for a salvage vehicle from more than 6-years-old to more than 10-years-old.

- **HB 1132**—extends the time period from 30 days to 45 days in which a buyer must take title of a vehicle. The measure also extends the time a dealer has to deliver title to 45 days.

- **HB 1035**—permits an active warrant officer of the National Guard to receive a National Guard Plate. It also permits all National Guard plates to share the same design, with no designation based on rank.

- **SB 128**—allows a person to obtain a military specialty plate with a valid South Dakota identification card or a valid South Dakota Driver License. (A valid South Dakota Driver License was previously required).

- **HB 1179**—broadens the definition of the term veteran to include active duty, reserve, or National Guard service. This includes eligibility for veteran license plates.

- **SB 22**—clarifies the penalty for altering registration cards and temporary permits. The act also clarifies that registration cards and

temporary permits are issued by county treasurers, licensed motor vehicle dealers, and private sellers.

- **SB 80**—increases the selling price that a towing company can sell a towed vehicle from \$200 to \$1,200. The towing company must obtain a dealer license for a sale greater than \$1,200.

- **SB 93**—the lease or rental of a motorcycle for 28 days or less is subject to the 4.5 percent motor vehicle gross receipts tax in addition to the state sales tax, applicable municipal sales tax, and tourism tax. These taxes are collected on the total lease or rental amount and reported on your sales tax return.

- **SB 94**—Imposes the annual registration fee on an electric-powered motorcycles at the highest rate permitted for fuel-powered motorcycles.

- **SB 119**—permits the owner of an unencumbered mobile home or manufactured home to transfer the title of the home to the owner of the real property of which the home is located for disposal purposes. The act also sets forth the disposal system.

What is EPath? The tax payer road to electronic transfers

Return features:

- Users can upload schedules/templates
- Information entered is automatically saved for later access and editing prior to submission
- Calculations are performed by the system

- There are multiple payment options (ACH Debit, ACH Credit, Credit Card, or pay at a later time by check)



Visit <http://dor.sd.gov> to setup your EPath account today!

How EPath benefits YOU

- When filing on time, you get to keep 1.5 percent (up to \$70.00) of the tax that is due. Only eligible for **Sales Tax** returns.
- View your account/ ledger activity. With Epath, you can print all returns back three years.
- Updating your license information has never been easier. You can update the information online.

Craps, Roulette, Keno now at South Dakota Casinos

Many of the major casinos throughout South Dakota welcomed keno, roulette, and craps on July 1.

The popular trio of games was implemented in South Dakota after voters passed Amendment Q in 2014 to allow the games. From there, the Interim Rules Review Committee approved the rules adopted by the Commission on Gaming on June 8. The rules became effective June 29.

Commission on Gaming Deputy Executive Secretary Craig Sparrow helped prepare the casinos for the new games by contracting professional trainers to conduct lessons on table games protection of craps and roulette. The training began April 19 with both Commission of Gaming staff and casino employees taking part.

Fireworks licenses up in 2015

The Fourth of July is in the books, and much of the state saw plenty of fireworks. A total of 305 tax licenses for fireworks stands have been issued through 2015, which is a slight increase from the 301 issued a year ago.

Retailers might not be done yet either, as a special selling season was added during the 2011 legislative session. That special season runs from Dec. 28-Jan.1 with the acquisition of a special permit from the state Fire Marshal.

Upcoming Education Dates

July 23--

Basic Tax Seminar-Sales Tax, 9 a.m. to 12, noon.
Basic Tax Seminar-Contractors Excise Tax, 1 to 4 p.m.
Both classes will take place at the Aberdeen SD Department of Revenue office, located at 14 S. Main Street, Suite 1-C.

To enroll or learn more about these classes, click the *Education* tab on <http://dor.sd.gov>. You can also gain more valuable knowledge as it pertains to the South Dakota Department of Revenue through our YouTube page. Visit <https://www.youtube.com/SouthDakotaDOR> to view several videos on a variety of training topics.

Transient Vendors: Get the Facts Before You Buy

Transient vendor season is underway in South Dakota, a time when out-of-state vendors roll into the state to sell their products and services. If you're considering hiring a person to provide repair or construction services, the South Dakota Department of Revenue advises you to:

- Ask for a price quote, in advance, in writing.
- Question the contractor about a permanent address and telephone number. Don't assume that if the information they provide is local, they're a local business. Transient vendors often have business cards printed with local mailing services or motel addresses and telephone numbers.

- Ask for a list of local references, and check them before making a decision.

- Ask if the contractor has worker's compensation and general liability insurance. If vendors are not properly insured, homeowners may be liable for accidents that occur on their property.

- Be careful about paying for work in advance; before making final payments, make sure transient vendors have paid their local suppliers or you may be held liable for unpaid materials.

- Make sure you're completely satisfied with the work before paying the bill, and don't pay more for the job than originally quoted unless you've given written approval for the additional work or cost.

- Question the salesperson about the product, warranties, guarantees, etc.

- Get something in writing with the company's name, address and phone number.

- Ask to see their current South Dakota tax license. State law requires everyone selling products or services to have a current South Dakota sales or contractors' excise tax license. To verify if the license is valid, call the Department's toll-free helpline at 1.800.829.9188.



All sellers must provide you with a contract or receipt at the time of sale showing the date, merchant's name and address, and a statement informing you of your right to cancel the contract within

three days. After proper cancellation, the seller has 10 days to refund your money. If you have doubts about the vendor or think you may have been the victim of a scam, call your local police department or county sheriff's office immediately. You can also contact the Attorney General's Consumer Protection Office at 1.800.300.1986 or through email at consumerhelp@state.sd.us. Be prepared to give as much information as you can about the vendor, including the name of the company and salesperson; company address and telephone number; and make, model and license number of the vehicle the vendor was driving. Without tips from the public, law enforcement officials may not be able to catch illegal vendors.

When your kid's chores become taxable

Do you have an entrepreneur at home? Having a summer job teaches kids responsibility and provides them with good life experience. Kids who provide a neighborhood service learn valuable lessons about handling money and running a business. Teach your kids the tax side of business by getting them a sales tax license. Services like lawn mowing, car detailing, house cleaning, and snow shoveling are all subject to sales tax. If your high school child spends the days running a small business, then a sales tax license is probably in order.

Minors cannot hold a license of their own, but you can apply for one to help them remit the tax due by going to www.sd.gov/taxapp. **It's easy, it's free, and it's the law.**

Department of Revenue preparing for Sturgis Rally

The annual Sturgis Motorcycle Rally is one of South Dakota's top attractions, and 2015 will be no different. So far, the Business Tax Division has issued 549 temporary licenses for the Sturgis Rally. That figure is up from the 414 licenses issued at this point last year. For more information on the rally as it pertains to the Department of Revenue, visit http://dor.sd.gov/Taxes/Business_Taxes/Sturgis/

Renew your vehicle registration in minutes

Vehicle owners with a valid South Dakota Driver License may renew their tags in a matter of minutes at self-service terminals.

More than 15,000 vehicles were renewed by use of one of the 10 self-service terminals found throughout the state. With just an active SD Driver License and a credit card, vehicle owners can pay their fees and have new registration stickers in minutes.

Visit our website to find a self-service terminal in your area.

New Municipal Tax Changes in effect

Two South Dakota communities implemented new municipal taxes July 1.

The municipal tax changes that took place include:

Columbia, S.D., imposed a two percent general sales and use tax rate

Westport, S.D., imposed a two percent general sales and use tax rate.

South Dakota municipalities are able to implement new tax rates or change existing tax rates on Jan. 1 or July 1 each year.

The South Dakota Department of Revenue has Municipal Tax Information Bulletins available,

which lists all municipal sales and use tax rates statewide, along with information on tribal sales, use and excise taxes.

Updated bulletins are free of charge by contacting the Department of Revenue at 1.800.829.9188 or by downloading a copy from the Department's website at <http://dor.sd.gov/>. Scroll over *Taxes* and select *Business Taxes*, followed by *Publications* on the left side of the webpage and select *Municipal Tax*. The full web address is: http://dor.sd.gov/Taxes/Business_Taxes/Publications/Municipal_Tax.aspx.

Play It Again Grand Prize Drawing Aug. 28

Entries are being accepted until 12, midnight Aug. 26 for the third Play it Again second chance grand prize drawing.

One lucky player will be randomly drawn from among all verified entries on Aug. 28 to win \$30,000 in the "\$2-\$3 Spring/Summer Play It Again Giveaway."

This latest promotion began in February and is open to all \$2 and \$3 scratch tickets currently available for purchase.

Mini prize drawings were held June 16 and July 14 in which players could win a \$100 gift card from the participating retailer of their choice; mini draw winners are still eligible for the grand prize drawing Aug. 28.

Now in its second year, the Play It Again program is proving to be especially popular with the Lot-

tery's female players and those who purchase Slingo and Bingo tickets. About 64 percent of the players entering their non-winning tickets are women and the three extended play games currently eligible for the promotion lead all other games for number of entries.

Three-dollar scratch tickets account for nearly 58 percent of the tickets entered. Players from 249 South Dakota cities are participating in Play It Again along with more than 50 out-of-state players from 11 states.

To participate in Play It Again, individuals must be members of the Lottery's free Players Club. Not currently a member? If you are 18 years or older, join today at:

<http://lottery.sd.gov/players/login/>

Visit DOR's SD Tax Facts page!

Have a question about South Dakota's tax policies? Go online to the South Dakota Department of Revenue's Tax Fact page for all of your answers. The Tax Facts are broken up into a variety of user-friendly categories, which means getting the answers to your questions a simple process. Click anywhere in this box to visit the page. Some examples of Tax Facts include:

- 911 Emergency Surcharge
- Attorneys
- Agricultural Equipment
- County Governments
- Exempt Entities
- Fishing and Hunting Services
- Motor Vehicle Sales
- Real Estate
- Schools
- Use Tax