



Department of Revenue

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

Winter 2016 Department Newsletter

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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](#)

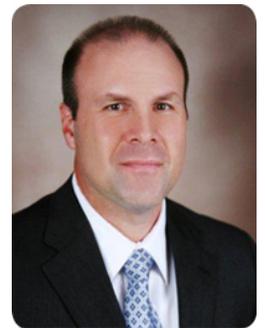
[SD Cars-Customer Portal](#)

[South Dakota EPath](#)

[2016 SD Legislative Session](#)

DEPARTMENT OF REVENUE

Message from the Secretary



Greetings! As the winter edition of our Department of Revenue Newsletter reaches you, we are fully engaged in the 2016 Legislative Session. This is an important time of the year for us as we work to shape policies that affect all South Dakotans.

Arguably, the Department of Revenue is the most engaged Executive Branch agency with involvement in 83 of the 418 total bills this year. This level of engagement is typical, because so many important issues tie to money each year.

Additionally, we have provided analysis to the Governor's Blue Ribbon Task Force on teacher salaries. The efforts of the Task Force resulted in House Bill 1182, whose intent is to raise the state sales tax to 4.5% (an increase of 0.5%). If passed, this is estimated to generate an additional \$107.4 million to be used to increase teacher salaries, fund K-12 education initiatives, and provided \$40 million for property tax relief. Each of these areas provides benefits to South Dakotans.

On January 2, we began issuing the new vehicle license plates (see story on Page 2). This effort was an important partnership between County Treasurers, the Department of Corrections, Department of Public Safety, Department of Tourism, and our Division of Motor Vehicles. The roll-out went very smooth and was close to two years in the making.

As you read through our newsletter, please note the features that will help you find your favorite wine, along with interacting easily and efficiently by utilizing our electronic options. I guarantee that we listen to the feedback you provide us and are always working to provide you, our customers, with the best service.



Andy Gerlach

Professional
Dependable
Accountable

Visit the Department of Revenue on social media



South Dakota drivers hit the road with new plates

The new year brought South Dakota's first license plate re-issue in 10 years.

Thousands of motorists are already on the road with the state's redesigned license plates. The new plates are received

when vehicle registration is completed through one of three methods.

The most popular method of renewal has been visits to county treasurer offices. During the first week more than 30,000 sets of plates were distributed through county treasurers. South Dakota's online vehicle portal, MySDCars (MySDCars.sd.gov), provides state residents the opportunity to complete registration renewals from their homes. Upon completion of the renewal process, license plates are sent to the customer's home through the State's plate on-demand system. Use of MySDCars contributed more than



2,700 sets of plate orders to vehicles throughout the state

within the first week of 2016. The third option available to customers also uses the plate on-demand system. Self-service terminals located

across South Dakota are gaining popularity and have been used for more than 500 registration renewals so far this year. Details and locations of available self-service terminals can be found [here](#).

"After more than a year of preparation and planning for the 2016 plate reissue, the implementation was a success," said Division of Motor Vehicles Acting Director Lisa Weyer. "On January 2, the online customer portal, MySDCars, and Self Service Terminals were fully functioning. January 4 was the first day for the county treasurer offices to issue the new plates. Overall, it was a smooth



and efficient process for customers and county staff."

South Dakota's license plate re-

issue includes the following plates: non-commercial standard, non-commercial motorcycle, amateur radio, personalized, low-speed vehicle and organization/emblem plates. More detailed license plate requirements can be found online at [our new license plates page](#).

To receive new plates, South Dakotans simply need to renew motor vehicle registration(s) during regular renewal periods.

Direct Wine Shipping now legal in South Dakota

A new year meant that location was no longer a hurdle for wine enthusiasts in South Dakota.

Beginning Jan. 1, 2016, direct wine shipping became legal in the Mount Rushmore State. South Dakotans over the age of 21 may now have their favorite bottles of wine delivered to their doorstep.

The process behind Direct Wine Shipping is simple for South Dakotans. They can contact licensed wineries from any location to place an order. When the order is delivered, the parcel carrier will confirm the recipient is of age by checking identification.

So far, the South Dakota Department of Revenue has licensed 122 Direct Wine Shippers—a number that is expected to grow once concerns over shipping during the winter months decreases.

As the number of shippers increases, the Department of Revenue has given



South Dakotans an efficient means to confirm that any winery is licensed. The DOR website has a convenient search feature, allowing users to type in a specific winery to see if it is licensed to ship.

Potential licensees can also visit [our website](#) for more information.

Click here to see if your favorite winery is licensed.

DOR names Hearn Audit Director



Rachel Hearn has been selected as the new Director of DOR's Audits Division.

Hearn accepted the position when Bruce Christensen retired after 40 years of service to the State of South

Dakota. Hearn previously served as the division's Deputy Director/Audit Selection specialist.

Hearn holds a Bachelors Degree in Accounting, and plans to pursue her MBA through the University of South Dakota. She is also a CPA and a 2015 Governors Leadership Program graduate. "I'm excited to be joining the leadership team of the Department in serving South Dakota through fair tax administration," said Hearn.

Hearn leads the Audits Division, which features a staff of 52 throughout the Pierre, Sioux Falls, Rapid City, Yankton, Mitchell, Aberdeen and Watertown offices.

SD Highway Patrol first to use new plates



DOR Secretary Andy Gerlach (left) and South Dakota Highway Patrol Colonel Craig Price are pictured with the new Highway Patrol plate. The Highway Patrol was the first to use new plates from the ongoing 2016 license plate re-issue. The Highway Patrol debuted the new plates January 1, while the rest of the plate re-issue began January 2.

With EPath, the road to online transactions is smooth



Use EPath to file and pay the following taxes:

- 911 Emergency Surcharge
- Bank Franchise Tax
- Contractors' Excise Tax
- Sales and Use Tax
- Motor Fuel Taxes

Return Features:

- Users can upload schedules/templates.
- Information entered is automatically saved for later access and editing prior to submission.
- Calculations are preformed by the System.
- There are multiple payment options.

How EPath benefits YOU

- When filing on time, you will get to keep 1.5% (up to \$70) of the tax that is due. **Only eligible for Sales Tax returns.**
- View your account/ledger activity. With EPath, you can print all returns from the previous three years.
- Updating your license information has never been easier. You can update the information online.

SD Lottery prepares for new home in Sioux Falls



Beginning in March, lottery players won't be traveling as far down Western Avenue to buy their tickets and claim their prizes at the Sioux Falls Lottery office and validation center. The facility is scheduled to move from its current location at 3824 S. Western Avenue to a new building at 3605 S. Western Avenue around March 1. The Sioux Falls office has been in its current spot since the Lottery began in 1987. While the present Sioux Falls Lottery office is in a strip mall, at the new location, the Lottery will be sharing a stand-alone building with just one other tenant. The former warehouse is being remodeled on the west side to accommodate Lottery and the east side of the building will remain a warehouse for a local retailer. Lottery Executive Director Norm Lingle says the new location will be more convenient for both players and Lottery staff. "After nearly 30 years, we'd just simply outgrown the current location. The

new Sioux Falls Lottery office will have a bigger lobby area to accommodate players, a better office layout for our staff, and more warehouse space with easier access for deliveries," said Lingle. The facility will also house a large conference room, a smaller training room and additional office space that can be used by out-of-town Lottery staff when visiting Sioux Falls. One of the biggest challenges in moving to the new building will be training players and retailers not to go to the old building. To help in that effort, the new office, located in the parking lot of the Western Mall, will have brightly lit signage featuring the Lottery logo on the west and north sides as well as the familiar jackpot sign. The logo will also appear on billboards and mall signage on Western Avenue and 41st Street.



Lottery Director Norm Lingle gives a tour of the new Sioux Falls Lottery office. The facility will move to 2605 S. Western Avenue in March.

The move to 3605 S. Western Avenue will not affect the hours of operation; the Sioux Falls office and validation center will still be open Monday thru Friday from 8 a.m. to 5 p.m. although there may be some disruption in the schedule during the actual move. Watch the Lottery's website (lottery.sd.gov) and Facebook and Twitter feeds for more information.

Wild Card 2 ending



A game that's been in South Dakota's lotto line-up in different forms for over 20 years is holding its last draw in February.

Wild Card 2 is ending with the Feb. 24, 2016 drawing. The only game in South Dakota to offer two plays for \$1 got its start in 1994 as Tri-West Lotto and was offered only in Idaho, Montana and South Dakota. In 1998, it was changed to Wild Card and was finally revised to Wild Card 2 a year later. It's currently played in Idaho, Montana, North Dakota and South Dakota. In deciding to end Wild Card 2 this year, lottery officials in those states determined the game had run its course in player popularity and its elimination could pave the way for new games to be implemented. During the game's lifetime, nearly 20 of its jackpots were won in South Dakota. The South Dakota Lottery thanks our retailers for promoting and selling Wild Card 2 throughout the years. The Department also thanks our players for embracing and being loyal to the game.

2016 brings municipal tax changes

One South Dakota community implemented a new municipal tax and another updated its current municipal tax rate Jan. 1. The municipal tax changes taking effect include:

Astoria, S.D., increasing its 1 percent general sales and use tax rate to 2 percent.

Buffalo Chip, S.D., imposing a 2 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 listing all municipal sales and use tax rates statewide, along with information on tribal sales, use and excise taxes. Other specialty tax rate information is also available in the bulletin.

Updated bulletins are free of charge and available after Jan. 1. To obtain a Municipal Tax Information bulletin, download it on the Department of Revenue website. [Click here](#) to visit the page.

? Frequently Asked Questions

Q: What is the number one problem found in audits?

A: The most frequent issues our auditors encounter involve use tax. If you purchase items or services through a catalog, over the Internet, or make exempt purchases while visiting in another state, you may owe South Dakota use tax. The use tax law is commonly misunderstood by taxpayers. If you have questions on use tax, please call your local office, call toll free at 1-800-829-9188.

Q: I made an SDCars account last year. Why doesn't my password work when I try to log in this year?

A: We launched a new portal this year to upgrade our security features. Our new portal website is <https://mysdcars.sd.gov>. When you get to the log in page, select "Need an account" and enter the information prompted on the screen. From there, you will be able to create a new password.

Q: Why is the interest so much after paying an audit?

A: The department looks at the last three years of returns when we conduct an audit. If there is an additional assessment, interest is charged all the way back to the first return. The interest rate on an audit was 1.25% per month until July 1, 2015 when the rate was decreased to 1% per month. Over three years, this can add up to quite a bit. Interest reduction can be granted to cooperative taxpayers who pay their audit balance on time. If you have received an assessment letter, you can send a written request for interest abatement to the SD Department of Revenue – Audit Division at 445 E Capitol Ave, Pierre, SD 57501.

Q: Where can I find out how much it will cost to renew my motor vehicle registration?

A: Your renewal card mailed out from our office yearly will indicate the correct fees due to your county treasurer's office for renewal. You can also sign up to receive your renewal via email at <http://mysdcars.sd.gov> and clicking "remind me." If you did not receive your renewal card via USPS or email, you can review our current fee chart at online, or simply contact your local county treasurer.

Have you tried SD DMV's online customer portal?

- Renew Vehicle Registrations
- Print a Seller's Permit
- Order Specialty Plates
- Report a Sale
- Change Your Mailing Address
- Get a Fees Quote



MySDCars gives South Dakotans the ability to complete several vehicle transactions from the comfort of their own homes. The online portal is not only convenient, but also secure.

Click on the logo above or visit <http://mysdcars.sd.gov> to get started.

Dates and deadlines

Return Type	Due Date
January	
Monthly-Paper	02/22/2016
Custom-Paper	02/29/2016
EPath	02/23/2016
February	
Monthly-Paper	03/21/2016
Custom-Paper	03/31/2016
EPath	03/23/2016
March	
Monthly-Paper	04/20/2016
Custom-Paper	05/02/2016
EPath	04/25/2016
April	
Monthly-Paper	05/20/2016
Custom-Paper	05/31/2016
EPath	05/23/2016
April	
Monthly-Paper	05/20/2016
Custom-Paper	05/31/2016
EPath	05/23/2016

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

Upcoming Education Dates

March 8

Basic Tax Seminar: Contractors' Excise Tax, 9 a.m. to 12, noon.
 Class will be held at the Sioux Falls SD DOR office at 300 S. Sycamore Ave, Suite 102

March 9

Basic Tax Seminar: Sales Tax, 9 a.m. to 12, noon.
 An Exercise in Bookkeeping: A Revenue Agent's Perspective of Common Errors and Practices, 1 to 4 p.m.
 Both classes will take place in Sioux Falls at 1101 W 22nd St.

April 20

Basic Tax Seminar: Contractors' Excise Tax, 9 a.m. to 12, noon.
 Basic Tax Seminar: Sales Tax, 1 to 4 p.m.
 Both classes will take place in Chamberlain at 1550 E King Avenue

April 26

Basic Tax Seminar: Sales Tax, 9 a.m. MST to 12, noon
 Basic Tax Seminar: Contractors' Excise Tax, 1 p.m. MST to 4 p.m.
 Both classes will be held at the Rapid City SD DOR Office, located at 300 S. Sycamore Ave, Suite 102

To enroll, request an industry-specific seminar, or see a full listing of seminars, click the *Education* tab on our homepage or click [here](#).

DOR attends SDRR Conference



The South Dakota Department of Revenue branched out recently with an appearance at the South Dakota Retailers Association's Conference. Bronson Elderts-Ajala of Business Tax and Joe Willingham of Lottery represented DOR at the conference in Pierre. Both were stationed at the Department's booth where they answered questions and distributed pamphlets. Some of the prominent topics

discussed included features of EPath and Direct Wine Shipping. "Events like this are good opportunities to give our agents the chance to interact with tax payers," said Education Coordinator Courtney Dosch. "This event also encouraged our Department to have a greater presence with our constituents." The conference featured a variety of businesses across the state with about 150 people in attendance.

Tax Facts: Fishing and Hunting Services

The purpose of this Tax Facts is to explain which South Dakota state and local taxes apply to fishing and hunting service providers, hunting preserves, and hunting lodges. It is not intended to answer all questions that may arise, but is intended to help you become familiar with the sales and use tax. The information contained in this fact sheet is current as of the date of publication.

DOR's Tax Facts cover a wide range of industry-specific topics. Click here to browse through them.

- Providing a fishing or hunting guide service
- Providing access to individuals or groups for fishing or hunting on property you own or operate
- Membership fees to hunting preserves or hunting clubs located in South Dakota
- The sale of any equipment and supplies
- The sale of lodging and camping
- The sale of meals, snacks, and beverages

Overview

If you receive any payment for providing fishing or hunting services, you are operating a sales taxable business. You must obtain a sales tax license and report and pay sales tax to the South Dakota Department of Revenue.

The gross receipts from the following are subject to sales tax:

Payment need not be received in cash to be subject to sales tax – barter income is also taxable. Barter income includes any product or service you receive in exchange for providing fishing or hunting services. For the complete tax facts publication on Fishing and Hunting Services, click [here](#).