Boat Titling and Registration

Boats requiring registration are licensed annually under a staggered registration system. The month that an owner registers is determined by the first letter of the owner’s last name or the first letter of a corporation or limited liability company’s name.

- Application for registration and title, if needed, is made at the county treasurer’s office of the applicant’s residence. The county treasurer will issue the applicant a registration stating the assigned boat number, a description of the boat, and the name and address of the owner. The South Dakota Department of Revenue will issue a title if it is applied for.

  ⇒ The registration must be kept in the boat and available for inspection.

- When registering a boat that is not required to be titled, the registrant must submit proof to the county treasurer that sales tax was paid at the time of purchase.

Trade-ins

Credit will be given for the value of the trade-in if a boat, watercraft, or boat trailer is traded toward the purchase of another boat, watercraft, or boat trailer.

- The boat excise tax will apply to the total purchase price of the boat, watercraft, or boat trailer, including any delivery charges, less the amount allowed for the trade-in.

South Dakota Taxes and Rates

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicle Excise Tax</td>
<td>Applies to the purchase of most motor vehicles.</td>
<td>4%</td>
</tr>
<tr>
<td>Boat Excise Tax</td>
<td>Applies to the purchase of most boats.</td>
<td>3%</td>
</tr>
<tr>
<td>State Sales Tax or Use Tax</td>
<td>Applies to all sales or purchases of taxable products and services.</td>
<td>4.5%</td>
</tr>
<tr>
<td>Municipal Sales Tax or Use Tax</td>
<td>Applies to all sales of products and services that are subject to the state sales tax or use tax if the purchaser receives or uses the product or service in a municipality that imposes a sales tax or use tax.</td>
<td>1 to 2%</td>
</tr>
</tbody>
</table>

Contact your County Treasurer within 45 days of purchase to pay tax, apply for title, and register your boat.

If you purchased a boat outside of South Dakota, proof of tax paid is required upon title application and you may have an additional tax obligation. Contact your County Treasurer to see if any additional tax is due.
Accredited schools, non-profit hospitals, approved relief agencies, and government entities are exempt from boat excise tax and sales and use tax.

- To learn more about exempt entities, see the Exempt Entities Tax Fact.
Out of State Purchases

South Dakota excise tax is due on the purchase price, including delivery charges, of large boats, personal watercraft, or boat trailers purchased out-of-state. State and applicable municipal sales or use tax is due on boats delivered to South Dakota if the boat is exempt from the excise tax.

- Credit will be given for tax legally paid to another state. If the tax paid to that state is equal to or greater than the tax due in South Dakota, no additional tax is due. If the tax paid is less than South Dakota taxes, the difference will be due.
  ⇒ A copy of the invoice must be provided to the county treasurer to document the purchase price and all taxes paid.

- Application for title and registration is made to the county treasurer’s office of the applicant’s residence. The county treasurer will issue the applicant a registration stating the assigned boat number, a description of the boat, and the name and address of the owner. The registration must be kept in the boat and available for inspection.

- If a boat must be registered, but not titled, proof that sales or use tax was paid must be provided to the county treasurer at the time of registration.

- If a boat or boat trailer is delivered by a South Dakota dealer or a transportation company hired by the purchaser to a location outside of South Dakota, South Dakota tax does not apply.

Examples

1. John Doe from Yankton, SD purchases a 20 foot boat with a motor and a boat trailer in Norfolk, NE and brings it back to South Dakota. He is not charged any Nebraska tax at the time of purchase.

   - John Doe would take his purchase documents to the county treasurer’s office to tax, title, and register the boat and trailer. He will pay 3% boat excise tax on the boat and motor and 4% motor vehicle excise tax on the trailer.

2. Jane Deer from Vermillion, SD purchases a canoe from an out of state dealer. The dealer charges her out of state sales tax.

   - Jane owes South Dakota use tax on the purchase price of the canoe. South Dakota will grant reciprocity for out of state taxes paid that are equal to or greater than the South Dakota tax due if proper documentation is submitted.

Contact Us

If you have any questions, please contact the South Dakota Department of Revenue.

Call toll-free: 1-800-829-9188
Business Tax Division Email: bustax@state.sd.us
Motor Vehicle Division Email: motorv@state.sd.us
Website: http://dor.sd.gov/
Mailing address and office location: South Dakota Department of Revenue
445 East Capitol Ave
Pierre, SD 57501