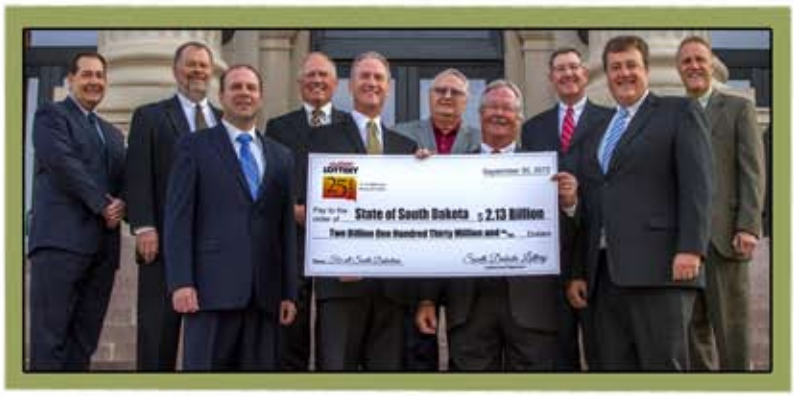
FY2013



Professional, dependable, accountable....in partnership with South Dakota

South Dakota

Department of Revenue

ANNUAL REPORT

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The FY2013 Department of Revenue Annual Report is available in the “publications” section on the department’s website at dor.sd.gov. The online report will be considered the most up-to-date and accurate version. Any corrections or modifications made to the report after the print version is issued will be noted in the online version on this page, along with a description of the correction or update.

Corrections/Edits:

page 13 - Chronology of Tax Legislation

Tourism Tax was introduced in 1995. (print version lists 2002 - year that tourism tax section was moved to its own chapter in statute)

Greetings from the Department of Revenue -

I am pleased to bring you the FY2013 Annual Report from the Department of Revenue. This report provides useful insight into the duties and responsibilities of the department as well as statistical information for the 2013 fiscal year.

Our tax revenues continue to provide a stable base to support our state operations by funding programs and services that benefit our citizens. Revenue figures for 2013 show modest increases in our major tax categories of sales, use and excise taxes; motor fuel taxes; special taxes; and motor vehicle taxes and fees.

The department continues to encourage voluntary compliance through direct taxpayer assistance and our expanded educational opportunities. Along with Basic Tax seminars offered throughout the state, our educational program includes options for online training, webinars, group or industry specific presentations, and one-on-one meetings with revenue agents. I invite you to check out the educational opportunities listed in the Business Education section on our website at http://dor.sd.gov.

In FY2013, the department expanded its use of social media as a way to keep everyone "in the know" about the happenings at the department. I encourage you to follow us on Twitter, Facebook, and through our blog to receive immediate access to other department information and news announcements affecting our agency.

Our employees are our greatest asset, assisting the taxpayers of South Dakota is our main responsibility, and service is our priority. Thank you for the opportunity to serve you.

A Message from the Secretary

Respectfully,

Andy Gerlach
Secretary

Taxpayer Bill of Rights

You have the right to confidentiality.

You have the right to tax information that is written in plain English.

You have the right to an appeal.

You have the right to courteous, prompt and accurate answers to your questions.

You have the right to be certain that collection procedures or assessments are not influenced by performance goals or quotas.

You have the right to rely on the written advice given to you by the South Dakota Department of Revenue.

You have the right to be notified before the department audits your records unless the secretary of revenue determines that a delay will jeopardize the collection of tax.

You have the right to clear and consistent policy regarding the deadlines for filing tax returns and making payments.

You have the right to seek a refund of any taxes you believe you have overpaid within the last three years.

You have the right to a process requiring that the seizure of your property for taxes be approved by a person no lower in authority than the division director.

You have the right to expect that a good faith effort to comply with tax laws will be given consideration in disputed cases.

You have the right to a tax credit of interest or penalties that are determined to have been inappropriately levied.

You have the right to the removal of a lien on your property within 30 days after you have paid all tax, penalty and interest due.

You have the right to have the South Dakota Department of Revenue correct the public record.

Our Mission

Our mission is to serve South Dakotans and to support government services by collecting all taxes required by law, supporting motor vehicle requirements, and regulating the gaming industry and state's lottery to raise revenue for government programs. This is accomplished by providing taxpayers with current and complete information, education programs, and up-to-date technology to support tax filings, payments and motor vehicle registration. Our efforts have yielded high voluntary compliance rates in all areas and promote commitment, communication and customer service.

We recognize our responsibilities to the taxpayers, and service is a priority. We are pleased to offer our professional services through the Internet and will continue to make progress while always promoting efficiency.

Our actions will comply with the statutory provisions of the State of South Dakota, and our duties under those statutes will be carried out in a fiscally responsible manner.

"We are professional,
dependable, accountable...
...in partnership with
South Dakota."

Taxpayer assistance is just a phone call away at 800.829.9188.

-- **Taxpayer Assistance Revenue Agents (clockwise from lower left): Bridgette French, Alaina Niehoff, Mary Murphy, and Betty Morford.**

Our Values

Professional	We are committed to maintaining a reputation of fairness, courtesy and reliability in an atmosphere of mutual respect.
Dependable	We will focus on identifying and satisfying external and internal customer needs quickly.
Accountable	We will maintain an ethical standard of honesty and consistency while always being accountable to our stakeholders.
Public Service	Our employees are firmly committed to delivering prompt, courteous, respectful service to every customer, every time. We all choose public service as a profession.
Communication	We value and expect open and honest sharing of ideas and concerns at all levels of our organization and with the citizens of South Dakota.
Innovation	Our department is committed to utilizing the latest technology to ease the compliance burdens of our customers ensuring we can serve the general public promptly, accurately and efficiently.

Department Overview

The Department of Revenue consists of six divisions, one commission, and the Office of the Secretary. Included in the department are: Audits; Business Tax; Division of the Secretariat (which includes Administrative Services and Legal Services); Commission on Gaming; S.D. Lottery; Motor Vehicles; and Property and Special Taxes. The department secretary, division directors and a majority of staff are in Pierre, housed in three locations:

Anderson Building, 445 East Capitol Avenue: Office of the Secretary, Audits, Business Tax, Division of the Secretariat, Motor Vehicles, and Property and Special Taxes.

711 East Wells Avenue: South Dakota Lottery.

221 West Capitol Avenue, Suite 101: Commission on Gaming.

The department also has field offices and staff in Aberdeen, Deadwood, Mitchell, Rapid City, Sioux Falls, Watertown and Yankton.

In fiscal year 2013, 245.5 full-time employees worked for the Department of Revenue administering, collecting and distributing the state's separate types of taxes and fees. Total administrative costs were $70,493,655, of which $1,069,603 were general fund dollars.

Who we are...

South Dakota Department of Revenue
445 East Capitol Avenue
Pierre, SD 57501
ph.: 605.773.3311
fax: 605.773.5129
http://dor.sd.gov

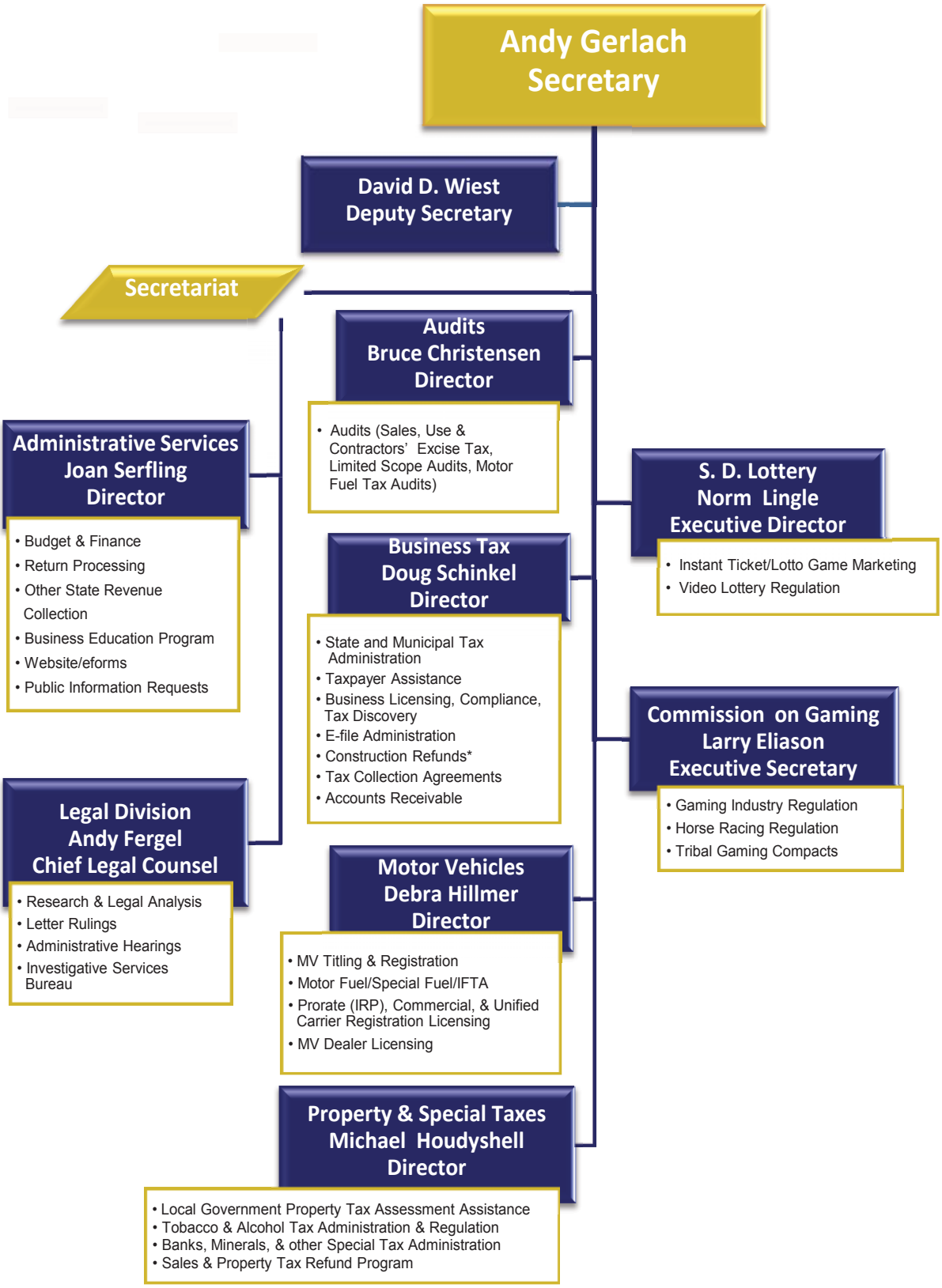
The Management Team

First Row *(left to right)*:
Doug Schinkel, Business Tax;
Andy Gerlach, Secretary;
David D. Wiest, Deputy Secretary.

Second Row *(left to right)*:
Norm Lingle, Lottery;
Bruce Christensen, Audits;
Joan Serfling,
Administrative Services.

Third Row *(left to right)*:
Andy Fergel, Legal;
Debra Hillmer, Motor Vehicles;
Michael Houdyshell,
Property and Special Taxes
Larry Eliason,
Commission on Gaming.

South Dakota Department of Revenue



* Sunset 12/31/2012

Meet the Divisions

Office of the Secretary

-- Andy Gerlach, Secretary
David D. Wiest, Deputy Secretary

The Office of the Secretary includes the Administrative Services and Legal Services sections of the department. The secretary and deputy secretary provide oversight to the tax administration, revenue collections, and overall operations of the department.

Administrative Services Division

-- Joan Serfling, Director

Administrative Services provides support services to the department in the areas of budget, finance, and procurement. Administrative Services also manages the operation of the Remittance Center by processing printed returns for the department and providing lockbox services to a number of state agencies and programs. The department's technology support, website/e-forms management, public information requests, and business education responsibilities are handled by this division.

Legal Services

-- Andy Fergel, Chief Legal Counsel

Legal Services provides routine legal counsel to the department and works on contested cases such as audits, jeopardy assessments, relief agency requests, motor vehicle issues, alcohol license issues and sales tax license revocations.

Audit Division

-- Bruce Christensen, Director

The Audit Division regularly performs audits for sales, use, contractors' excise taxes and motor fuel taxes to ensure that businesses are correctly reporting taxes. Audits are conducted on any business, in-state or out-of-state, large or small, which may have a tax liability to South Dakota. Audits are used to identify and resolve errors made in tax reporting. Audits not only cover state taxes but any local city taxes levied.

Business Tax Division

-- Doug Schinkel, Director

The Business Tax Division administers the sales tax, use tax, municipal tax, contractors' excise tax and 911 surcharges, as well as the tax collection agreements with Indian tribes. Sales and use tax is the largest source of funding for the general fund. All tangible personal property, services and products delivered electronically are subject to sales or use tax in South Dakota unless specifically exempted.

The division issues licenses to new taxpayers, provides instruction to current taxpayers, performs reviews of businesses, handles compliance for licensed and unlicensed businesses, and collects delinquent taxes.

It is also the responsibility of the division to administer the construction refund programs. These programs allow businesses to seek a refund of sales, use and contractors' excise tax or delay payment of sales and use tax on projects such as large wind farms, new and expanded agricultural facilities, and power facilities. Some of these programs sunsetted on December 31, 2012.

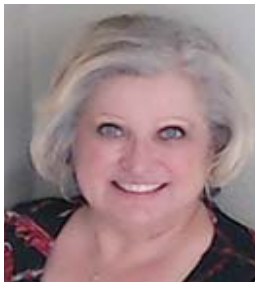
Commission on Gaming

-- Larry Eliason, Executive Secretary

The Commission on Gaming, comprised of five commissioners, is responsible for regulating the gaming industry in the City of Deadwood, pari-mutuel horse racing and pari-mutuel wagering, and administering Indian gaming compacts.

Meet Susan Christian - Operations Manager

Susan works with support and quality control, performance management, staffing, training and development at the Commission on Gaming - Deadwood Office.



South Dakota Lottery

-- Norm Lingle, Executive Director

The South Dakota Lottery markets instant tickets and lotto games and regulates video lottery to raise revenue for state programs and initiatives. The Lottery Commission helps to establish policy, reviewing and approving major contracts and procurements, and consulting on management and operation issues.

Motor Vehicles Division

-- Debra Hillmer, Director

The Motor Vehicle Division handles all motor vehicle titling and registration requirements in South Dakota. The Division also completes prorate (IRP), unified carrier registration (UCR), commercial and motor vehicle dealer licensing as well as collecting motor vehicle excise tax, motor fuel tax, special fuel tax, and interstate fuel tax (IFTA).

Property and Special Taxes Division

-- Michael Houdyshell, Director

The Property and Special Taxes Division is comprised of two distinct programs within the Department of Revenue. The Special Taxes program administers state taxes on tobacco, alcohol, banks, minerals, and several small industries. This program also regulates the tobacco and alcohol industries to ensure compliance with all applicable state laws. The Property Tax program assists local governments in making property tax assessments that are fair and in compliance with state law. This program also estimates the full and true value of some public utilities, railroads, and airline companies through the central assessment process as well as administering special industry taxes, such as the telecommunications gross receipts tax and the alternative tax for commercial wind farms.

Individual Taxes and Fees

Each of the four categories of taxes and fees (sales, use and contractors' excise taxes; motor fuel taxes; motor vehicle licensing; and special taxes) is comprised of a number of individual taxes and fees which vary in purpose, application and rate.

Tax	Description
911 Emergency Surcharge	Imposed monthly uniform surcharge of $1.25 per service user line used to pay for allowable nonrecurring and recurring costs of the 911 system effective until July 1, 2018. All telecommunications service providers, wireless service providers, or Interconnected Voice over Internet Protocol service providers are responsible for collecting and remitting. (Authority: 35-45)
911 Prepaid Wireless Surcharge	Imposed prepaid wireless surcharge of two percent upon the gross receipts of each retail transaction for the purchase of prepaid wireless telecommunications service to customers in South Dakota or sold to online customers with a South Dakota address. All prepaid wireless service seller and prepaid wireless service providers are responsible for collecting and remitting. (Authority: 35-45)
Alcoholic Beverage Brand	Imposed on all brand labels registered and offered for sale by distillers, manufacturers, vintners, and breweries importing products into the state including malt and cereal beverages and wines; alcoholic cordials, liqueurs, cocktails, etc.; distilled spirits, whiskeys, gin, rum, brandy, vodka, etc. (Authority: SDCL 39-13-3) (Rate Base: Wines - 1st Label: $25.00, 2nd label: $17.50; Malt and cereal beverages - $25.00 all labels; All other alcoholic beverages - $50.00 all labels)
Alcoholic Beverage 2%	Imposed on all distilled spirits and wines imported and received by in-state licensed liquor wholesalers. (Authority: SDCL 35-5-6.1) (Rate Base: 2% of the purchase price paid for alcoholic beverages)
Amusement Machine	Imposed on all mechanical or electronic amusement devices offered to the public for use. Any device used exclusively at a fair may be registered for 30 days by paying a fee of $3.00. Devices manufactured before 1940 are exempt from the fee. (Authority: SDCL 10-58) (Rate Base: $12.00 per machine; $3.00 per machine, temporary)
Bank Franchise Tax	Imposed on all banks and financial corporations, small loan companies and savings and loan companies on their net annual earnings in lieu of sales tax on financial and banking services. (Authority: SDCL 10-43-2, 4) (Rate Base: 6% decreasing to .25% as income increases or $200 per location minimum)
Beer License Fee	Imposed on all applicants requesting permission to operate as a malt beverage wholesaler or retailer; annual license and 50% of all fees (except brewers license fee which is retained in state general fund) retained at the local level. (Authority: SDCL 35-4-2)(Rate Base: $500.00 - Brewer; $400.00 - Wholesalers; $200.00 - Off-Sale; $300.00 - On-Off Sale; $150.00 - Transfers; $225.00 - off-sale malt beverage and South Dakota farm wines; $325.00 - On-Off Sale malt beverage and South Dakota farm wines)
Beer Occupational Tax	Imposed on all 31-gallon barrels of malt beverages imported and received by all licensed beer and liquor wholesalers. (Authority: SDCL 35-5-3) (Rate Base: $8.50 per bbl.)
Bingo/Pull Tab Tax	Imposed monthly tax of five percent on a distributor's gross sales of all bingo paper and pull tab products. (Authority: SDCL 22-25-48) (Rate base: 5% of gross sales)
Bingo/Pull Tab Tax License Fee	Imposed on all persons or entities manufacturing bingo paper or pull tabs and selling these products to South Dakota distributors or persons or entities selling bingo paper or pull tabs to any organization conducting bingo games or pull tab lotteries in our state. (Authority: SDCL 22-25-28, 29) (Rate base: Manufacturer- $2,500 annually; Distributor- $5,000 annually)
Cigarette Excise Tax	Imposed on all packs of 20 and 25 cigarettes; stamps applied by the cigarette distributor prior to any sale to retailers for resale. (Authority: SDCL 10-50-3) (Rate Base: $1.53 cigarette stamp on packs of 20 and $1.92 cigarette stamp on packs of 25)

What we do...

Cider Tax	Imposed tax of $.28 per gallon. (Authority: SDCL 35-5-3)
Cigarette License Fee	Imposed on all applicants requesting a cigarette wholesaler's or distributor's license; such licenses are required prior to the purchase and affixing of cigarette stamps. (Authority: SDCL 10-50-9) (Rate Base: $150.00 annually)
Coin-Operated Laundromat Fee	Imposed on operators of coin-operated laundromats and dry cleaning businesses which is in lieu of sales or use tax provisions. $20.00 per unit in cities of 1,000 population or over and all rural areas. $16.00 per unit in cities of under 1,000 population. (Authority: SDCL 10-45-5.1) (Rate Base: $16.00 per unit and $20.00 per unit)

Tax	Description
Commercial License Fee	Assessed commercial motor vehicle fee based on gross weight in consideration of the unusual use of the public highways by each person, except as otherwise provided by law, desiring to operate a motor vehicle, trailer or semitrailer upon the public highways of South Dakota as a motor carrier. (Authority: SDCL 32-9-15 and SDCL 32-9-22) (Rate Base: fees are based on maximum gross weight)
Conservation Tax	Imposed on the severance of all energy minerals, paid quarterly by the severor. (Authority: SDCL 10-39B) (Rate Base: 2.4 mills of taxable value)
Contractors' Excise Tax	Imposed on gross receipts of prime and subcontractors on realty improvement contracts performed for qualifying utility projects. Sales and use tax is applicable on construction materials. (Authority: SDCL 10-46B) (Rate Base: 2%) A contractors' excise tax of 2% is imposed on gross receipts of prime contractors on all other realty improvement contracts, including labor and materials. (Authority: SDCL 10-46A) (Rate Base: 2%)
Contractors' Use Tax	Imposed use tax on contractors and subcontractors who use tangible personal property in the performance of realty improvement contracts. Tax applies on the cost or fair market value of property, whichever is greater. Materials used in public contracts are subject to tax. (See Contractors' Excise Tax) (Authority: SDCL 10-46-5) (Rate Base: 4%)
Energy Minerals	Imposed on owners of energy minerals for the privilege of severing said minerals. (Authority: SDCL 10-39A) (Rate Base: 4.5% of taxable value)
Excise Tax on Farm Machinery, Farm Attachment Units, and Irrigation Equipment	Imposed on the sale, use or lease of farm machinery, farm attachment units, and irrigation equipment. (Authority: SDCL 10-46E) (Rate Base: 4%)
Interstate Fuel Use Tax	Imposed fuel taxes on interstate motor vehicle operators commensurate with their operations on South Dakota highways. (Authority: SDCL 10-47B) (Rate Base: .22/gallon - Diesel; .20/gallon - Liquid Petroleum Gas)
Liquor License Fee	Imposed on all applicants requesting permission to obtain and operate under the provision of any classified license listed in the area of distilled spirits and liquor. (Authority: SDCL 35-4-2) (Rate Base: $4,000.00 - Distiller; $5,000.00 - Wholesaler; $500.00 - Artisan Distiller; $25.00 - Solicitors; $25.00 - Transporters; $100.00 - Carriers; $10.00 - Dispensers)
Liquor Tax	Imposed on every gallon of distilled spirits imported and received by in-state licensed liquor wholesalers. (Authority: SDCL 35-5-3) (Rate Base: $3.93 per gallon)
Manufactured Home	Imposed registration fee at the rate of four percent of the purchase price of a manufactured home or if a bill of sale is not available, the fair market value thereof. The payment of such license fee shall be in full and is in lieu of all occupational, sales, excise, privilege and franchise taxes levied by this state upon the gross receipts from all sales of mobile homes. (Authority: SDCL 32-5-16.1) (Rate Base: 4% on purchase price or fair market value)
Motor Fuel/Special Fuel Tax	Imposed on all motor fuel and special fuel that is removed from a terminal in South Dakota and on all imports of fuel, except dyed diesel fuel. A tax of $.22 per gallon is imposed on all gasoline and $.08 per gallon on ethyl or methyl alcohol sold or used in this state. Dyed diesel fuel is either exempt or subject to sales tax depending on the use of the fuel. (Authority: SDCL 10-47B) (Rate Base: .22/gallon - Motor Fuel/Special Fuel; $.08/gallon ethyl/methyl alcohol; .06/gallon - Aviation; .10/gallon - Alternative Fuel for road purposes/ Compressed Natural Gas; .04/gallon Jet Fuel and Alternative Fuel for aircraft purposes)
Motor Vehicle Excise Tax	Imposed excise tax at the rate of three percent on the purchase price of any snowmobile, boat or motor vehicle, as defined by 32-3-1 or 32-3A, purchased or acquired for use on the streets, highways or waterways of this state and required to be registered under the laws of this state. This tax is in addition to all other license and registration fees for the use of the highways. This tax is in lieu of any tax levied by chapters 10-45 and 10-46 on the sales of such vehicles. (Authority: SDCL 32-5B-1 thru 32-5B-20, 32-20A-15 and 32-3A) (Rate Base: 3% purchase price)
Municipal Gross Receipts Tax	May be imposed by city ordinance, administered by the Department of Revenue, in addition to state tax. Imposed on alcoholic beverages, eating establishments, lodging accommodations, ticket sales and admission to places of amusement, or athletic and cultural events. (Authority: SDCL 10-52A)(Rate Base: 1%)
Municipal Sales and Use Tax	May be imposed by city ordinance, administered by the Department of Revenue, in addition to state tax. (Authority: SDCL 10-52) (Rate Base: No specific rate, rates vary from 1% up to 2%)
Non-Commercial License Fees	Imposed license fees and compensation on non-commercial motor vehicles, including automobiles, pickups and vans with an empty weight of 10,000 lbs. or less (pickups in the 6,001 - 10,000 lbs. category have the option of licensing non-commercial or non-commercial declared gross weight), trailers and semitrailers for use on the highways payable under SDCL 32-5-5. These fees shall be determined by the manufacturer's shipping weight. License fees and compensation on non-commercial motor vehicles which are not automobiles, pickups or vans shall be determined on declared gross weight. (Authority: SDCL 32-5-5, 32-5-6, 32-5-6.1,32-5-6.3, 32-5-6.4, and 32-5-8) (Rate Base: Fees are based on the age and weight of the vehicle)

Tax	Description
Ore Tax	Imposed on all companies severing precious metals within the state; based on the gross production and net income from the sale of such metal. Each producer is given a 20 ounce exemption per year. (Authority: SDCL 10-39-43, 10-39-45.1, 10-39-56) (Base Rate: $4 per ounce of gross gold production plus 10% of net income and 8% of royalties other than those owned by federal, state, or local governments; additional $1 - $4 per ounce if the average price of gold is $500 or greater per ounce)
Other Tobacco Products Tax	Imposed on distributors and wholesalers of cigars, snuff, chewing tobacco and any other products made up of tobacco, except cigarettes. The tax is imposed on the wholesale purchase price of other tobacco products and is paid on the fifteenth day of the month following the month of purchase. (Authority: SDCL 10-50-61) (Rate Base: 35%)
Retail Liquor License Fee	Imposed fees that may be assessed by the local governing board to any applicant requesting a retail liquor license to sell distilled spirits, wine and beer. The fees marked "max" indicate that the local board may set any fee up to this maximum level. All fees remain with the local governing board recommending the issuance of such license within their jurisdiction. (Authority: SDCL 35-4-2)

	Rate Base:	City:
Off-sale Package Liquor	$ 500 (min)	First Class (NEW)
Off-sale Package Liquor	$ 500	First Class (RENEWAL)
Off-sale Package Liquor	$ 400 (max)	Second Class
Off-sale Package Liquor	$ 300 (max)	Third Class
On-sale Retailer Liquor (New)	$1.00/person (min)	First Class
On-sale Retailer Liquor (Renewal)	$1,500	First Class
On-sale Retailer Liquor	$1,200 (max)	Second Class
On-sale Retailer Liquor	$ 900 (max)	Third Class
On-sale Retailer Liquor (Airport)	$ 250	All Classes
Off-sale Municipal Package	$ 250 (min)	All Classes
On-Off sale (wine)	$ 500	All Classes
On-sale Full Service Restaurant	Contact City	All Classes

Sales Tax	Imposed on retailers' gross receipts from all sales of tangible personal property, services and products transferred electronically not specifically exempted. Exemptions include, but are not limited to, sales to the state and its political subdivisions, certain agricultural products, motor vehicles, motor fuel, labor on construction and prescription drugs. (Authority: SDCL 10-45) (Rate Base: 4%)
Tank Inspection Fee	Imposed fee of $0.02 per gallon upon any petroleum product received in this state. (Authority: SDCL 34A)
Title and Penalty Fees	Imposed motor vehicle title fee of $5.00 per title; however, if the title is submitted more than 30 days after the date of sale, a late fee of one dollar for each week or fraction thereof beyond the 30-day limitation for 25 weeks and a late fee of $50 for 26 weeks or more is imposed. (Authority: SDCL 32-3-18 and SDCL 32-3-27) (Rate Base: $5.00 title fee, variable penalty)
Tourism Tax	Imposed on lodging, visitor attractions, motor vehicle rentals, recreational vehicles, recreational services, spectator events, and visitor intensive businesses. (Authority: SDCL 10-45D) (Rate:1.5%)
Trading Stamp License Fee	Imposed annually on all trading stamp and coupon companies who wish to provide retailers with their products. (Authority: SDCL 37-19-1) (Rate Base: $50.00)
Use Tax	Imposed on the privilege of the use, storage and consumption in this state of tangible personal property or services. Tax is imposed on persons using property and services. Certain exemptions apply; property exempted if taxed under 10-45. (Authority: SDCL 10-46) (Rate Base: 4%)
Wine Tax (High)	Imposed on wines, except sparkling wines, containing 14.1 to 20% alcohol by weight imported and received by in-state licensed liquor wholesalers. (Authority: SDCL 35-5-3) (Rate Base: $1.45 per gallon)
Wines and Diluted	Imposed on all wines, except sparkling wine, and diluted beverages containing 3.2 to 14% alcohol by weight imported and received by in-state licensed liquor wholesalers. (Authority: SDCL 35-5-3) (Rate Base: $.93 per gallon)
Wine Tax (over 20%)	Imposed on wines containing 20.1 to 24% alcohol by weight and all sparkling wine imported and received by in-state licensed liquor wholesalers. (Authority: SDCL 35-5-3) (Rate Base: $2.07 per gallon)

Chronology of Tax Legislation

The first state tax in South Dakota - an inheritance tax - was enacted by the legislature in 1905. Since that time, there have been a number of major expansions and changes in our tax codes, as evidenced by this chronology of the tax history of South Dakota.

1905 Inheritance Tax

2000 Last Major Change: Voters repealed the tax.

1913 License Fees, Non-Commercial

2013 Last Major Change: Fees increased on non-commercial, non-commercial gross weight, recreational and trailer, motorhome, motorcycles, and dealer plates. The increase in non-commercial gross weight fee schedule sets the current fees at 60% of the commercial license fees.

1923 Motor Fuel

2009 Last Major Change: Changed how tax is applied to blended fuels (gasahol). Tax applied to ethyl alcohol at $.08 per gallon and tax on gasoline at $.22 per gallon.

1923 Cigarettes

2007 Last Major Change: Voters approved increasing the tax from $.53 to $1.53 per pack of 20 and $.67 to $1.92 per pack of 25.

1933 License Fees, Commercial

2011 Last Major Change: The 10% license fee reduction for commercial vehicles was changed to apply to vehicles 10 years old or more.

1935 Alcohol Beverage

2011 Last Major Change: An on-off sale malt beverage with South Dakota farm wines license was added with a fee of $325. Also added was a hunting preserve license with a fee of $500.

1935 Sales Tax

2006 Last Major Change: Moved the tax on farm equipment from the sales tax chapter (10-45) to its own excise tax chapter (10-46E) and increased the rate from 3% to 4%. Also exempted from sales tax the repairs and maintenance on farm equipment.

1935 Mineral Extraction

1994 Last Major Change: Changed from gross yield and net income to gross production ($4 per ounce of severed gold) and 10% net income.

1937 Motor Vehicle Registration

2012 Last Major Change: Authorized limited special plates for Silver Star Medal, Distinguished Service Cross, Navy Cross, Air Force Cross, Distinguished Flying Cross, Bronze Star Medal with Valor Device, or the Bronze Star Medal recipients. Also authorized the availability of limited special plates to military active duty members. Allowed for personalized license plates to be issued with a single numeral other than the number one or two.

1939 Bank Franchise

2000 Last Major Change: Lowered the net income levels on which the bank franchise tax is based.

1939 Use Tax

2006 Last Major Change: Moved the tax on farm equipment from the sales tax chapter (10-45) to its own excise tax chapter (10-46E) and increased the rate from 3% to 4%. Also exempted from sales tax the repairs and maintenance on farm equipment.

1941 Special Fuel

1999 Last Major Change: Tax increased on April 1 from $.18 to $.22 per gallon.

1965 Interstate Fuels

1995 Last Major Change: Allowed state to enter into agreements for the collection of fuel tax on interstate motor carriers.

1977 Energy Mineral

No major changes made since implementation.

1979 Contractors' Excise Tax

1995 Last Major Change: Increased the tax rate on utility contracts from 1.5% to 2%.

1988 Tank Inspection Fee

1993 Last Major Change: Increased from $.01 per gallon to $.02 per gallon on all petroleum products introduced into this state.

1995 Tourism Tax

013 Last Major Change: 1.5% tax rate sunset removed.

1995 Other Tobacco Products Tax

2007 Last Major Change: Voters approved increasing from 10% to 35% the tax imposed on the wholesale purchase price of other tobacco products.

1998 Alcohol Beverage: Cider

1998: Cider was added as a category at a rate of $.28 per gallon.

2013 Legislation Recap - House Bills

The South Dakota State Legislature passed several bills affecting the activities of the Department of Revenue during the 2013 Legislative Session. A complete listing of all bills introduced in the 2013 Legislative Session is available on the Legislative Research Council's website at http://legis.sd.gov.

Some of the bills impacting department operations are summarized below and on the following page:

House Bill 1039 Clarified that state sales tax, state tourism tax, municipal sales tax, and municipal gross receipts tax (BBB) tax are calculated on the gross receipts of an item before any tax is applied. Therefore, no other sales tax is calculated on top of state sales tax, state tourism tax, city sales tax and city BBB tax.

House Bill 1040 Authorized the department to provide lists that include licensed boat dealers.

House Bill 1041 Revised certain provisions regarding the purchase price of rebuilt motor vehicles and creates an exemption from the motor vehicle excise tax for sales tax paid on parts used in the process of rebuilding vehicles and on vehicles manufactured by individuals.

House Bill 1042 Authorized manufactured home dealers to submit license fees directly to the department and provides an electronic renewal notice for certain dealers.

House Bill 1043 Authorized the department to establish an electronic title system for motor vehicles and revises certain provisions regarding the electronic lien filing system.

House Bill 1066 Made permanent the temporary increase of the tourism tax from one percent to one and one-half percent.

House Bill 1117 Authorized licensed new and used car dealers who also sell trailers to offer their trailers for purchase at a temporary special events lot.

Department of Revenue Secretary Andy Gerlach addresses the House Taxation Committee

Photo courtesy of Donna Leslie, SDRA

House Bill 1118 Modified the requirements to qualify for a disabled veteran license plate.

House Bill 1140 Changed the tax filing frequency of farm wineries from monthly to quarterly.

House Bill 1141 Expanded the use of the "88" dealer plate to allow licensed dealers to permit a prospective motor carrier customer to "test drive" a vehicle subject to commercial license fees to make sure it meets the customer's needs.

House Bill 1162 Authorized an "Organ Donation" decal for use on organizational license plates.

House Bill 1165 Authorized the Agricultural Land Assessment Implementation and Oversight Advisory Task Force to include the agricultural levy as it applies to school funding in its interim review.

2013 Legislation Recap - Senate Bills

Senate Bill 6 Authorized a property owner to request an examination of land by the director of equalization to determine whether to adjust the assessed value of the agricultural land if the use varies from the land use category specified by soil classification standards.

Senate Bill 51 Established a collection allowance credit of 1.5 percent of the tax due, not to exceed $70 for each reporting period, to taxpayers who timely file and pay tax returns electronically through the Department of Revenue.

Senate Bill 52 Authorized a one cent credit denomination for video lottery machines, eliminated the bet to award ratio, and capped the maximum award at $1,000.

Senate Bill 53 Expanded the current farm decal system to maintain federal regulation exemption for South Dakota's agricultural producers when traveling outside of our state.

Senate Bill 55 Required entities subject to reporting under Chapter 10-43 to petition the secretary of the Department of Revenue prior to filing a consolidated return.

Senate Bill 56 Defined credit card bank and clarified that the tax from the credit card banks is to be distributed under the 95% to 5% formula.

Senate Bill 57 Clarified language, corrected citations and cross-references, and removed outdated or unnecessary language used in motor fuel laws.

During the 2013 Legislative Session, the Department of Revenue tracked over 170 bills that, if enacted, would have impacted the department's responsibilities and operation.

Senate Bill 58 Created uniformity for each type of license for an electronic system for filing a return or report and an electronic system for paying any tax that may be due. Authorizes the secretary to permit a licensee to report by non-electronic means and sets the due date for such filing.

Senate Bill 145 Required that a property tax bill show a total tax for each taxing district, and describe any entity imposing a tax or special assessment.

Senate Bill 146 Established that delinquent gaming taxes are a lien against real or personal property of the taxpayer, provides for the collection of delinquent gaming taxes and establishes that officers and directors of corporations, members of LLCs and partners of partnerships can be held personally liable for payment of delinquent taxes.

Senate Bill 190 Appropriated funding for the tax refunds for elderly persons and persons with a disability and revises the income eligibility requirements for property and sales tax refunds.

Senate Bill 195 Revised the distribution of wind energy tax.

Senate Bill 199 Exempted from taxation all property or any portion owned by a labor union and used exclusively for an educational purpose.

Senate Bill 235 Established the building South Dakota fund and other funds and programs to enhance economic development and education in South Dakota

Senate Bill 239 Repealed the state's membership in the Multistate Tax Commission.

South Dakota Department of Revenue *invites you to take a stroll*

Sica Hollow

What is EPath? The taxpayer road to

Benefits to taxpayer:

* one EPath account may be used for all "same owner" licenses (with same FEIN)
* allows for additional user access to all or specific accounts
* available 24/7
* file and pay both current & delinquent returns
* amend returns
* review file & pay history
* make stand alone payments
* cancel licenses

License: [redacted] Last 3 Months (05/01/2012 - 08/02/2012)

Pending Items

Period	Postmark	Type	Amount
	07/06/2012	ACH Debit Payment	($2,835.00)
	07/06/2012	ACH Debit Payment	($5,000.00)
10/2012	06/28/2012	Electronic Return	$44,877.87
12/2012	06/13/2012	Electronic Return	$256.25
04/2012	06/13/2012	Electronic Return	$2,835.00
10/2011	06/13/2012	Electronic Return	$504.67
03/2012	04/26/2012	Return	$0.00

View up to 36 months of history

Processed Items

Period	Postmark	Type	Tax	Interest	Penalty	Balance
02/2012	05/02/2012	Electronic Return	$5,957.50	$148.94	$595.75	$30,755.06
06/2012	05/02/2012	Electronic Return	[illegible]	[illegible]	[illegible]	[illegible]

Reporting Period: 02/2012 — Return Due: 03/20/2012

Prepaid Wireless 911 Emergency Surcharge

Sellers of prepaid wireless service shall collect and remit a 2% surcharge on the retail sale of the prepaid wireless service to end consumers in South Dakota. This includes retailers and service providers that sell prepaid wireless airtime cards and prepaid monthly plans and minutes. (SDCL 34-45)

1. Total Retail Sales of Prepaid Wireless Service	$5,000.00
2. Prepaid Wireless 911 Surcharge Due (Line 1 x 0.02)	$100.00

911 Emergency Surcharge

Any telecommunications service provider, wireless telecommunication service provider, or Interconnected Voice over Internet Protocol (VOIP) service provider shall collect and remit a $1.25 surcharge per service user line. This applies to service user lines where the primary place of use is in South Dakota. (SDCL 34-35-4)

3. Entity (County or City Name)	Telecommunication Service User Lines	Wireless Service User Lines	VOIP Service User Lines	A. Total Service User Lines	Surcharge Due (column A x 1.25)
Aurora	123	0	0	123	153.75
Beadle	0	4563	0	4563	5,703.75
4. Totals	123	4,563	0	4,686	$5,857.50

5. Total Surcharge Due (Line 2 + 4)	$5,957.50
6. Administrative Fee: 2% of the Surcharge due or $25.00, whichever is greater (not to exceed total surcharge due). Do not take if return is filed late. (Line 5 x 0.02)	$0.00
7. Interest: 1.25% of total Surcharge due (Line 5), applied monthly (Minimum $5.00 first month late)	$148.94
8. Penalty: 10% of total Surcharge due (Line 5) (Minimum $10.00, even if no surcharge is due)	$595.75
9. Adjustment: To pay a balance due or to use a credit on this license, please adjust your payment.	$0.00
10. Total Amount Due (Lines 5 - 6 + 7 + 8 + 9)	$6,702.19

- *View returns, payments and balance due on your account*
- *View details for underlined items*

Account Activity

Currently used for:

-- Sales and Use Tax
-- Contractors' Excise Tax
-- Motor Fuel Importer/ Exporter
-- Motor Fuel Suppliers
-- 911 Emergency Surcharge

The EPath system is being expanded to include other license types and tax reporting

Mount Rushmore

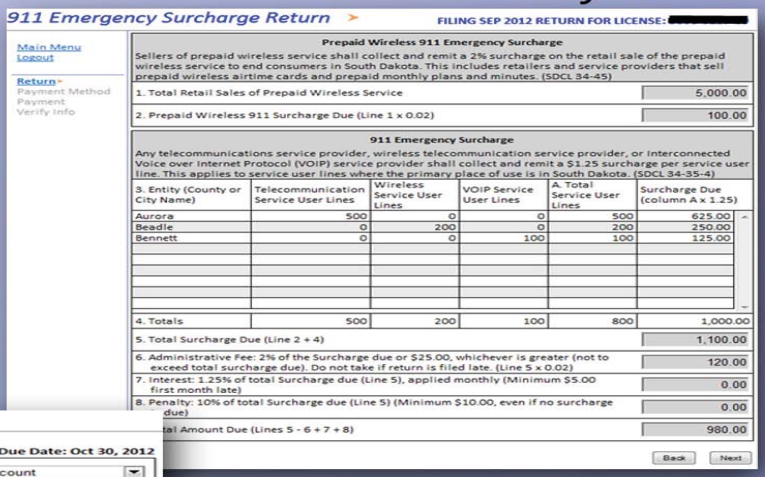
on EPath

electronic transactions in South Dakota

Return features:

- *users can upload schedules/templates*
- *info entered is automatically saved for later access and editing prior to submitting*
- *calculations are performed by system*
- *multiple payment options (ACH Debit, ACH Credit, pay at later time or submit check)*

Returns & Payments



911 Emergency Surcharge Return

FILING SEP 2012 RETURN FOR LICENSE: [redacted]

Main Menu
Logout

Return
Payment Method
Payment
Verify Info

Prepaid Wireless 911 Emergency Surcharge

Sellers of prepaid wireless service shall collect and remit a 2% surcharge on the retail sale of the prepaid wireless service to end consumers in South Dakota. This includes retailers and service providers that sell prepaid wireless airtime cards and prepaid monthly plans and minutes. (SDCL 34-45)

1. Total Retail Sales of Prepaid Wireless Service	5,000.00
2. Prepaid Wireless 911 Surcharge Due (Line 1 x 0.02)	100.00

911 Emergency Surcharge

Any telecommunications service provider, wireless telecommunication service provider, or interconnected Voice over Internet Protocol (VOIP) service provider shall collect and remit a $1.25 surcharge per service user line. This applies to service user lines where the primary place of use is in South Dakota. (SDCL 34-35-4)

3. Entity (County or City Name)	Telecommunication Service User Lines	Wireless Service User Lines	VOIP Service User Lines	A. Total Service User Lines	Surcharge Due (column A x 1.25)
Aurora	500	0	0	500	625.00
Beadle	0	200	0	200	250.00
Bennett	0	0	100	100	125.00
4. Totals	500	200	100	800	1,000.00

5. Total Surcharge Due (Line 2 + 4)	1,100.00
6. Administrative Fee: 2% of the Surcharge due or $25.00, whichever is greater (not to exceed total surcharge due). Do not take if return is filed late. (Line 5 x 0.02)	120.00
7. Interest: 1.25% of total Surcharge due (Line 5), applied monthly (Minimum $5.00 first month late)	0.00
8. Penalty: 10% of total Surcharge due (Line 5) (Minimum $10.00, even if no surcharge due)	0.00
Total Amount Due (Lines 5 - 6 + 7 + 8)	980.00

Back Next

Scheduled Payments

Main Menu
Logout

Return
Payment Method
Payment
Verify Info

Period: SEP 2012 Due Date: Oct 30, 2012

Existing Account: Create New Bank Account
Name:
Payment Date: 10/30/2012
Pay to the Order Of: SD Treasurer Amount: 980.00
Checking Savings
Routing #: Bank Account #:

Back Next

- *Account payment information is entered when return is filed*
- *Can save account payment information for future use*

Photos courtesy of SD Department of Tourism

Badlands National Park

e-Services

The department is continually working to utilize the latest technology options to offer a simple, quick and easy transaction process to taxpayers as well as increase our internal efficiency. Current e-Service options include:

South Dakota Tax Application

Applicants can complete and submit an online application to obtain a tax license for the following tax license types: contractors' excise, manufacturer, sales, use, wholesaler, and all motor fuel tax types. The online application is available 24/7 and lets you apply for a license at the time and place that works best for you. No paper to fill out, nothing to mail, total security, and it's FREE.

Tax Match

Are you confused on what tax rate to charge your customer? TaxMatch allows you to match addresses with tax rates. Users can find the applicable sales tax code and rate for an address within South Dakota by simply entering the street address and the correct zip code or city name for that address.

Department e-News

Receive your copy of the Department of Revenue e-News. Our electronic newsletter provides recent department happenings and announcements to keep you "in the know" about what we do. Sign up to receive your Revenue e-News at http://www.state.sd.us/drr2/listservsub.aspx.

SDcars.org

Complete your motor vehicle registration renewal from your personal computer in your own home? The South Dakota Customized Automated Registration System, aka SDcars, allows you to do just that! Available 24 hours a day, seven days a week, you can complete your motor vehicle registration renewal at your convenience. Additional information on SDcars can be found on page 42 of this report.

Motor Vehicle Registration Self-Service Terminals (SSTs)

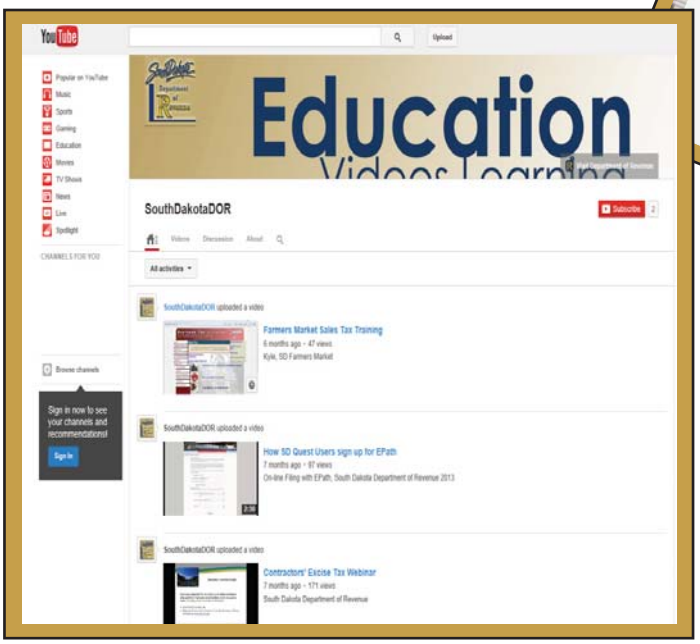
Motor vehicle registration renewals can be completed at self-service terminals (SSTs) available throughout South Dakota. The fully automated vehicle registration renewal station dispenses license plate renewal tags and the motor vehicle registration on the spot! Vehicle owners from any county can use the terminal with proper identification. Currently, there are ten motor vehicle registration self-service terminals located throughout the state. Terminals are located at Kessler's in Aberdeen; the County Fair Food Store in Mitchell, the Public Safety Building on Kansas City Street and the Rushmore Mall in Rapid City, the Department of Revenue Pierre Office at 445 East Capitol Avenue; the Get-N-Go on Arrowhead Parkway and Dawley Farms and the Hy-Vee Food Store on 49th and Louise in Sioux Falls; and the Hy-Vee Food Stores in Brookings, Watertown and Yankton. Additional information on motor vehicle registration SSTs can be found on page 43 of this report.

The department is also utilizing social media in an effort to keep South Dakota informed on changes in statutes, policies and procedures, deadlines or reporting requirements and other news announcements affecting the department.

Find us on Facebook

Find the department on Facebook at https://www.facebook.com/SDRevenue or by utilizing the link on the department's website.

Follow us on Twitter at https://twitter.com/SDRevenue/



Check us out on YouTube at SouthDakotaDOR

Education Program

The Department of Revenue works to strengthen our relationships with the taxpayers of South Dakota by providing increased instructional opportunities in new and innovative ways. The department offers general seminars, on-site instructional presentations, online informational/ instructional videos and has participated in webinars conducted by the South Dakota Retailers Association.

Tax education seminars are conducted throughout the state on an annual basis. The general educational tax seminars offered by the department are as follows:

Basic Sales Tax Seminar

Each seminar is three-hours and covers:

- How and when to apply for a tax license
- Exemptions from sales and use taxes
- Use tax
- Municipal taxes
- Purchases for resale
- How to file returns

Contractors' Excise Tax

Each seminar is three-hours and covers:

- How and when to apply for a contractors' excise tax license
- Projects for qualifying utilities and governmental agencies
- Prime and subcontractors
- Sales and use tax
- Owner-furnished materials
- Reservation projects
- How to file excise tax returns

Meet Jean Person - Education Coordinator

Understanding that there are a wide variety of learning styles and needs, Jean works with associations and businesses to coordinate training and provide training materials that best fit their needs.

Check out the current seminar schedule on our website!

Border Tax Seminars

Border Tax Seminars provide tax instruction to businesses whose business operation may take them over the South Dakota border into neighboring states.

The Border Tax Seminar – Sales Tax is held in the morning from 9:00 – 12:00 and discusses:

- Requirements to register in SD and the bordering state
- Awareness of major differences between South Dakota and the bordering state's tax laws
- How these differences may affect your business
- Practical tips on how to manage sales and use tax obligations for both states
- Streamlined Sales Tax Project
- Filing returns

The Border Tax Seminar – Construction Contractors is held from 1:00 – 4:00 and discusses:

- Requirements for registration in SD and the bordering state
- Differences between SD and the bordering state's taxes for contractors
- Prime and subcontractors
- Point of taxation
- Special jurisdictions/tribal agreements
- Owner furnished materials
- Qualified utilities
- Filing returns

CPE and CEU credits are awarded for each seminar if requested.

Webinars/Online tutorials

In an effort to provide education and information about tax laws and rules to a larger and more diverse audience, the department offers webinars and online tutorials in addition to our regularly scheduled training seminars. The webinars are recorded and placed, along with our tax tutorials, on our YouTube site (SouthDakotaDOR) for access 24-hours a day.

Specialized Training/group Presentations/Speaking Engagements

Specialized training and customized presentations are tailored to the needs of an organization, business, industry or group and are available upon request. These events vary from simple question and answer sessions to instructional visual presentations with training materials. The department education coordinator will work with the requester to design an informative session that will utilize available resources and cater to subject matter relevant to the group, organization or event.

Licensee Reviews

Licensee Reviews are available upon request. A review is an educational meeting between a revenue agent and a taxpayer to provide one-on-one education at the taxpayer's place of business. Discussion will focus on tax issues associated specifically with the taxpayer's business and includes a review of a limited number of taxpayer records to determine if there are any problem areas. The taxpayer will have the opportunity to correct any problems or issues by filing self-audit worksheets.

Tax Revenues

The Department of Revenue is the principal tax agency for the State of South Dakota and collects a number of different state taxes. These taxes are grouped into four main categories: sales, use, and contractors' excise taxes; motor fuel taxes; motor vehicle fees and taxes; and special taxes. Once collected, these tax revenues are distributed to three primary locations: the state's general fund, local units of government and the state highway fund.

In fiscal year 2013, revenue from all 36 state taxes totaled $1,655,012,409, an increase of $36,712,124 from fiscal year 2012 revenues of $1,618,300,286. Total revenues from the past five years are shown below.

Total Revenues: A Five-Year Comparison

Fiscal Year	Total Revenues	Percent of Change
2009	$1,444,656,266	-1.74%
2010	1,437,093,287	-0.52%
2011	1,506,843,885	4.85%
2012	1,618,300,286	7.40%
2013	1,655,012,409	2.27%
Five-Year Average	**$1,532,381,227**	

By the numbers...

Revenues by Category

Of the total tax revenue collected in fiscal year 2013, 74.1% came from sales, use and contractors' excise taxes. Motor fuel taxes accounted for 9.8%, special taxes 7.6%, and motor vehicle taxes 8.5%. The table below shows a five-year comparison of revenues collected in each category.

Revenues by Tax Category 2009-2013

Fiscal Year	Sales, Use and Excise Taxes*	Motor Fuel Taxes**	Special Taxes	Motor Vehicle Fees***
2009	$1,066,082,423	$138,152,006	$136,743,929	$103,677,908
2010	1,061,063,870	148,458,391	120,463,137	107,107,889
2011	1,137,637,580	152,242,306	102,098,046	114,865,953
2012	1,180,159,027	153,388,242	150,270,075	134,482,942
2013	1,226,729,352	161,903,333	125,819,051	140,560,673
Five-Year Average	**$1,134,334,450**	**$150,828,856**	**$127,078,848**	**$120,139,073**

** Includes Tourism Taxes, Motor Vehicle Leasing, Excise Tax on Water Projects, Telecom Tax, and Construction Refund Program*
*** Includes Tank Inspection Fees*
**** Includes Single State Registration Fees*

Revenues by Type of Tax

In fiscal year 2013, the revenue produced by the separate taxes and fees administered by the department varied from a low of $0 to a high of $787,745,633.

A Three-Year Comparison of Revenues by Type of Tax

	FY2011	% Increase (Decrease) over Previous Year	FY2012	% Increase (Decrease) over Previous Year	FY2013	% Increase (Decrease) over Previous Year
Sales and Use Taxes - State	$720,605,500	10.40%	$755,248,642	4.81%	$787,745,633	4.30%
Contractors' Excise Tax - State	65,697,771	-6.78%	82,991,355	26.32%	84,466,868	1.78%
Sales, Use, Contractors' Excise Tax - Cities	286,386,166	4.01%	303,463,758	5.96%	317,168,147	4.52%
Sales, Use, Contractors' Excise Tax - Tax Collection Agreements	9,809,347	22.35%	11,773,780	20.03%	10,524,640	-10.61%
Tourism Tax	9,474,051	12.66%	9,544,379	0.74%	10,115,967	5.99%
Water and Environment Fund	2,022,939	36.16%	1,377,662	-31.90%	347,515	-74.78%
Intermediate Care Facility	1,019,970	-7.02%	1,283,367	25.82%	1,283,195	-0.01%
Refund for Construction of Facility	29,359,411	-19%	0	n/a	0	n/a
Motor Vehicle Leasing Fund	1,535,468	13.56%	1,580,827	2.95%	1,585,810	0.32%
Telecom	11,726,957	-7.84%	12,895,257	9.96%	13,491,577	4.62%
Aviation Fuel	707,430	13.09%	773,440	9.33%	736,125	-4.82%
Motor Fuel Tax	130,809,072	4.07%	131,017,914	0.16%	138,386,151	5.62%
Motor Fuel Tax - Tax Collection Agreements	3,263,012	-1.73%	3,649,658	11.85%	3,654,697	0.14%
Interstate Fuel Users Tax	1,400,847	-27.63%	1,474,069	5.23%	1,485,967	0.81%
Tank Inspection Fees	16,061,945	-4.87%	16,473,161	2.56%	17,640,393	7.09%
Prorate	15,380,235	4.88%	18,116,142	17.79%	17,076,532	-5.74%
Single State Registration Fees	1,191,231	153.21%	854,968	-28.23%	886,339	3.67%
Motor Vehicle Titles and Registration	98,294,487	6.87%	115,511,832	17.52%	122,597,802	6.13%
Cigarette Tax - State	51,787,334	-8.60%	50,976,072	-1.57%	51,621,443	1.27%
Cigarette Tax - Tax Collection Agreements	2,302,863	-5.99%	2,616,115	13.60%	2,221,487	-15.08%
Cigarette License Fees	14,175	16.67%	12,753	-10.03%	13,950	9.39%
Other Tobacco Products	6,056,866	5.62%	6,514,247	7.55%	6,883,716	5.67%
Other Tobacco Products - Tax Collection Agreements	190,603	23.94%	252,984	32.73%	228,479	-9.69%
Liquor License Fees	90,000	75.66%	107,155	19.06%	117,235	9.41%
Malt Beverage Beer License Fees	337,850	3.30%	327,162	-3.16%	336,512	2.86%
Alcoholic Beverage Brand Registration Fees	327,276	4.23%	375,727	14.80%	381,462	1.53%
Beer Tax	6,138,160	-26%	6,210,000	1.17%	6,303,556	1.51%
Liquor Tax	7,083,971	2.03%	7,371,909	4.06%	7,917,948	7.41%
Alcoholic Beverage 2% Purchase Price Tax	1,431,373	5.67%	1,490,640	4.14%	1,647,547	10.53%
Wholesale Beer License Fee	2,000	-41.18%	600	-70.00%	400	-33.33%
Underage Penalty Fee	130,800	-29.68%	101,300	-22.55%	81,500	-19.55%
Bank Franchise/Bank Card Tax	15,203,536	-51.20%	59,796,153	293.30%	36,850,211	-38.37%
Inheritance Tax	154	-99.89%	0	n/a	0	n/a
Ore Tax	5,318,077	36.14%	7,124,767	33.97%	4,565,257	-35.92%
Energy Mineral Tax	5,276,994	17.13%	6,634,346	25.72%	6,250,662	-5.78%
Coin Laundry License Fees	255,866	1.36%	251,470	-1.72%	256,925	2.17%
Coin Laundry License Fees - Tax Collection Agreements	1,687	-10.55%	1,711	1.42%	1,488	-13.03%
Amusement Device Fee	93,011	-1.25%	56,892	-38.83%	89,368	57.08%
Bingo License Fee	30,000	-14.29%	30,000	0.00%	30,000	0.00%
Bingo Tax	25,450	-3.14%	18,072	-28.99%	19,905	10.14%
Totals	**$1,506,843,885**	**-0.52%**	**$1,618,300,286**	**7.40%**	**1,655,012,409**	**2.27%**

Distribution of Taxes and Fees

In fiscal year 2013, the $1,655,012,049 in tax revenues collected by the department was distributed to various funds and units of government. The largest portion of revenues, 56.3%, was deposited in the state's general fund, with 25.5% going to local governments, 12.5% to the State Highway Fund, and 5.7% to other uses.

While sales, use and contractors' excise taxes make up 64% of the state general fund, the remainder of the fund comes from special taxes and fees and other sources which include the South Dakota Lottery and CRP program. The following chart shows the taxes that produce the revenues and the manner in which the revenues are distributed.

How Taxes are Distributed

Tax	General Fund	Local Government	State Highway Fund	Other
State Sales Tax	100%	-0-%	-0-%	-0-%
State Use Tax	100%	-0-%	-0-%	-0-%
State Contractors' Excise Tax	100%	-0-%	-0-%	-0-%
Municipal Sales and Use Tax (1)	-0-%	100%	-0-%	-0-%
Cigarette Excise Tax	(2)	-0-%	-0-%	-0-%
Cigarette License Fee	100%	-0-%	-0-%	-0-%
Bank Franchise Tax (3)	26.66%	73.33%	-0-%	-0-%
Bank Card Taxpayers	95%	5%	-0-%	-0-%
Ore Tax	100% (4)	-0-%	-0-%	-0-%
Coin Operated Laundromat Fee	100%	-0-%	-0-%	-0-%
Trading Stamp License Fee	100%	-0-%	-0-%	-0-%
Energy Minerals Severance Tax	50%	50%	-0-%	-0-%
Malt Beverage Occupational Tax	75%	25%	-0-%	-0-%
Conservation Tax	-0-%	-0-%	-0-%	(5)
Amusement Machine Registration	(6)	(6)	-0-%	-0-%
Distilled Spirits Occupational Tax	75%	25%	-0-%	-0-%
Wines and Diluted Beverages	75%	25%	-0-%	-0-%
Malt Beverage License Fee	50%	50%	-0-%	-0-%
Liquor License Fee (other than retail)	100%	-0-%	-0-%	-0-%
Other Tobacco Products Tax	(2)	-0-%	-0-%	-0-%
Alcoholic Beverage 2% Purchase Price Tax	100%	-0-%	-0-%	-0-%
Wholesale Liquor License Fee	100%	-0-%	-0-%	-0-%
Alcohol Beverage Brand Registration Fee	100%	-0-%	-0-%	-0-%
Aviation Fuel Tax	-0-%	-0-%	-0-%	Aeronautics Fund (DOT)

(continued on next page)

How Taxes are Distributed/continued

Tax	General Fund	Local Government	State Highway Fund	Other
Motor Fuel Tax	-0-%	-0-%	97%	(7)
Tank Inspection Fee	-0-%	-0-%	-0-%	(8)
Prorate Fee (9)	-0-%	98.5%	-0-%	(10)
Motor Vehicle Excise Tax	-0-%	-0-%	100%	
Motor Vehicle Registration Fee	-0-%	95.75%	-0-%	(11)
Motor Vehicle Licensing Receipts:				
Snowmobiles	-0-%	-0-%	-0-%	(12)
Plates and Permits	-0-%	-0-%	-0-%	LPR
Title and Penalty Fees	-0-%	-0-%	-0-%	MVF
Mobile Home Registration Fees	25%	63.75%	-0-%	11.25% - MVF

(1) The state retains an administrative fee, which varies from .55% to 1%.

(2) The first $30 million collected annually is deposited in the state general fund. All revenue in excess of $30 million goes into the tobacco prevention and reduction trust fund.

(3) An exception exists regarding credit card banks. 95% of the revenue derived from that tax is deposited into the state general fund, while 5% goes to the county where the bank is located.

(4) Revenues from mining companies licensed after January 1, 1981 are split as follows: 80% to the state, 20% to the county of production (subject to a $1 million cap).

(5) 100% of the tax collected is placed in the environment and natural resources fee fund.

(6) Revenue from devices located outside municipalities is deposited into the state general fund. If the amusement device is located within the boundaries of a municipality, then the revenues are remitted to the municipality.

(7) Each July, an amount equal to the number of snowmobiles licensed as of July times 125 gallons times the tax rate is transferred to a fund for snowmobile trails; $135,000 is transferred to the value added agriculture subfund created in SDCL 1-16G-25; $75,000 to the Department of Agriculture to be used for a grant to the Northern Crops Institute; $500,000 to the coordinated natural resources conservation fund; an amount equal to the number of licensed motorized boats times 140 gallons times the tax rate is transferred to the parks recreation fund; $700,000 to counties and townships pursuant to SDCL10-47B-149.1; the taxes collected under the provisions of the International Fuel Tax Agreement are transferred to member jurisdictions; and 2% is transferred to the Motor Fuel Tax Administration Account.

(8) Beginning January 1, 2003, 50% of the revenue collected shall be deposited in the ethanol fuel fund and the remaining 50% distributed as follows: 78.7% deposited in the capitol construction fund and 21.3% deposited in the petroleum release compensation fund.

(9) Other prorate fees: duplicate cab card, trailer fees, tractor registration fees, and transfer fees are deposited in the state highway fund. Trailer ID fees and duplicate fees are deposited in the license plate special revenue fund (LPR). Title and penalty fees and administration fees are deposited in the state motor vehicle fund (MVF).

(10) .5% is deposited in the state motor vehicle fund (MVF), and 1% goes to the license plate special revenue fund (LPR). The percentages were changed in 2000.

(11) 1.75% is deposited in the state motor vehicle fund (MVF), and 2.5% goes to the license plate special revenue fund (LPR).

(12) 90% goes to Game, Fish and Parks, 10% to the state motor vehicle fund (MVF).

Total Revenues

Sales, use and contractors' excise taxes produce the largest portion of the total tax revenues, accounting for 74.1% of the total revenues in fiscal year 2013. These revenues come from over 81,047 businesses that currently pay sales, use and contractors' excise tax on their products and services. In fiscal year 2013, sales, use and contractors' excise taxes in South Dakota totaled $1,199,905,288. This includes state taxes, municipal taxes and taxes collected pursuant to tax collection agreements with Indian tribes.

Of the $1,199,905,288 collected, 65.7% came from the state sales and use tax; 26.4% from municipal sales and use taxes; 7.0% from state contractors' excise tax; and 0.9% from taxes collected pursuant to a tax collection agreement with an Indian tribe.

Below is a ten-year comparison of total state revenues from these taxes.

Total State Revenues: Sales, Use and Contractors' Excise Taxes

Fiscal Year	Total State Revenues	Percent of Change
2004	$574,063,634	6.53%
2005	607,436,346	5.81%
2006	660,042,811	8.66%
2007	691,218,595	4.72%
2008	733,797,079	6.16%
2009	740,503,025	0.91%
2010	722,442,016	-2.44%
2011	786,303,271	8.84%
2012	838,239,997	6.61%
2013	872,212,501	4.05%

Meet Adam Maska - Revenue Agent

Adam is a Field Territory Agent in the Department of Revenue - Yankton Office. Adam works with tax discovery, compliance, collections, licensing and reviews.

Municipal Taxes

While cities set their own tax rates, the department is responsible for collecting the actual taxes. Those revenues are then distributed to the taxing units based on the amount collected for each city (shown in the table on the next two pages). These sales tax revenues do not necessarily indicate the level of economic activity in these areas since municipalities vary in their tax rates and the size of their tax bases.

In fiscal year 2013, 261 communities imposed local sales and use taxes. The maximum local rate that can be levied in South Dakota is 2%. Cities may also impose a 1% municipal gross receipts tax which is levied in addition to the municipal sales tax. The gross receipts tax can be imposed on alcoholic beverages, eating establishments, lodging accommodations, ticket sales and admissions to places of amusement, or athletic and cultural events.

City	2013 Rate(s)	FY2012 Remittance	FY2013 Remittance	% Increase (Decrease)	City	2013 Rate(s)	FY2012 Remittance	FY2013 Remittance	% Increase (Decrease)
Aberdeen	1%, 2%	$16,252,390.89	$17,024,928.16	4.75%	Deadwood	1%, 2%	$2,884,774.55	$2,925,999.55	1.43%
Akaska	2%	18,042.26	17,644.21	-2.21%	Dell Rapids	1%, 2%	853,386.17	871,647.85	2.14%
Alcester	2%	147,079.95	191,510.37	30.21%	Delmont	2%	48,419.23	46,580.28	-3.80%
Alexandria	2%	116,691.35	122,997.07	5.40%	Dimock	2%	29,007.53	30,033.57	3.54%
Alpena	1%	121,957.49	160,697.60	31.77%	Doland	2%	58,388.53	57,902.90	-0.83%
Andover	2%	13,525.58	32,125.61	137.52	Dupree	1%	51,431.03	62,126.84	20.80%
Arlington	2%	620,068.15	555,054.90	-10.48%	Eagle Butte	1%, 2%	493,044.55	511,998.35	3.84%
Armour	2%	243,324.59	245,403.03	0.85%	Eden	1%	16,652.68	18,371.71	10.32%
Artesian	2%	19,215.86	19,291.97	0.40%	Edgemont	1%, 2%	190,960.87	218,978.62	14.67%
Ashton	2%	10,210.98	12,964.62	26.97%	Egan	2%	22,410.42	21,896.01	-2.30%
Astoria	1%	60,235.90	19,850.60	-67.05%	Elk Point	1%, 2%	407,568.53	450,030.79	10.42%
Aurora	1%	44,763.26	61,112.06	36.52%	Elkton	2%	219,391.43	174,679.62	-20.38%
Avon	2%	130,508.71	143,939.67	10.29%	Emery	2%	116,344.18	138,706.77	19.22%
Baltic	1%, 2%	129,241.58	138,664.11	7.29%	Estelline	2%	135,461.68	136,464.91	0.74%
Belle Fourche	1%, 2%	2,101,684.52	2,298,281.35	9.35%	Ethan	2%	144,755.43	142,796.29	-1.35%
Belvidere	2%	11,743.53	10,132.94	-13.71%	Eureka	2%	300,119.26	302,065.30	0.65%
Beresford	1%, 2%	857,267.47	782,240.48	-8.75%	Fairfax	2%	31,611.01	44,176.36	39.75%
Big Stone City	2%	250,954.27	226,892.21	-9.59%	Faith	1%, 2%	251,706.29	250,010.79	-0.67%
Bison	2%	204,761.29	168,569.56	-17.68%	Faulkton	2%	301,027.91	299,285.48	-0.58%
Blunt	1% GR/ST	40,815.10	40,564.45	-0.61%	Flandreau	1%, 2%	577,405.63	606,744.87	5.08%
Bonesteel	2%	61,205.60	58,745.24	-4.02%	Florence	2%	44,714.12	46,598.57	4.21%
Bowdle	2%	147,781.83	144,414.85	-2.28%	Fort Pierre	1%, 2%	1,101,521.17	1,156,934.02	5.03%
Box Elder	1% ,2%	1,044,796.17	1,189,703.12	13.87%	Frankfort	2%	2,642.57	10,845.33	310.41%
Brandon	1%, 2%	2,432,494.62	2,405,271.17	-1.12%	Frederick	1%	19,784.49	25,125.43	27.00%
Brandt	2%	18,801.31	19,982.72	6.28%	Freeman	2%	510,359.23	469,286.48	-8.05%
Bridgewater	2%	87,749.57	88,584.06	0.95%	Garretson	1%, 2%	300,800.51	310,570.22	3.25%
Bristol	2%	67,599.84	65,075.75	-3.73%	Gary	1%	76,705.10	47,439.79	-38.15%
Britton	1%, 2%	649,914.11	705,994.47	8.63%	Gayville	2%	46,902.08	49,413.03	5.35%
Brookings	1%, 2%	10,864,029.82	11,973,674.02	10.21%	Geddes	2%	41,710.39	44,747.03	7.28%
Bruce	1%	6,009.68	21,188.43	252.57%	Gettysburg	1%, 2%	489,520.97	519,167.73	6.06%
Bryant	2%	116,297.88	118,399.40	1.81%	Glenham	2%	26,858.85	30,251.77	12.63%
Buffalo	2%	177,056.92	181,313.54	2.40%	Gregory	1%, 2%	567,256.18	621,519.60	9.57%
Burke	2%	257,319.69	253,633.18	-1.43%	Grenville	2%	16,312.52	10,735.69	-34.19%
Camp Crook	1%	2,573.59	8,017.08	211.51%	Groton	1%, 2%	532,400.75	560,777.08	5.33%
Canistota	1%, 2%	135,861.57	162,154.92	19.35%	Harrisburg	1%, 2%	621,263.97	736,410.55	18.53%
Canova	1.95%	24,321.30	30,472.94	25.29%	Harrold	2%	52,190.06	42,190.20	-19.16%
Canton	1%, 2%	940,917.56	987,554.97	4.96%	Hartford	1%, 2%	612,180.21	671,869.09	9.75%
Carthage	2%	42,099.80	36,063.14	-14.34%	Hayti	2%	75,161.64	77,428.83	3.02%
Castlewood	2%	101,808.83	116,366.01	14.30%	Hazel	1%	10,402.19	15,396.32	48.01%
Cavour	2%	23,843.20	32,338.46	35.63%	Hecla	1%	44,618.01	51,143.35	14.62%
Centerville	1%, 2%	158,374.60	144,006.85	-9.07%	Henry	1%	28,072.03	30,869.63	9.97%
Central City	2%	63,151.58	63,851.34	1.11%	Hermosa	2%	104,967.94	132,970.21	26.68%
Chamberlain	1%, 2%	1,327,882.12	1,419,033.05	6.86%	Herreid	2%	222,480.93	249,509.45	12.15%
Chancellor	1%, 2%	59,961.53	84,439.88	40.82%	Highmore	1%, 2%	450,904.41	337,199.60	-25.22%
Clark	2%	$397,806.75	381,499.33	-4.10%	Hill City	1%, 2%	787,044.38	820,845.93	4.29%
Clear Lake	1%, 2%	531,975.85	503,807.01	-5.30%	Hitchcock	1%	18,859.32	20,724.98	9.89%
Colman	2%	161,166.83	178,407.59	10.70%	Hosmer	2%	52,147.71	50,285.79	-3.57%
Colome	2%	51,776.11	48,716.69	-5.91%	Hot Springs	1%, 2%	1,427,805.51	1,369,612.81	-4.08%
Colton	1%, 2%	123,280.33	123,804.41	0.43%	Hoven	2%	150,596.72	152,873.26	1.51%
Conde	2%	26,868.30	31,729.81	18.09%	Howard	2%	403,657.98	415,228.56	2.87%
Corona	2%	15,332.21	16,285.18	6.22%	Hudson	2%	106,975.96	104,779.22	-2.05%
Corsica	1%, 2%	287,892.26	262,148.08	-8.94%	Humboldt	1%, 2%	118,457.64	125,212.42	5.70%
Crooks	1%, 2%	122,136.76	138,262.97	13.20%	Hurley	2%	57,087.32	62,254.83	9.05%
Custer	1%, 2%	1,448,599.62	1,523,879.15	5.20%	Huron	1%, 2%	6,362,280.73	6,406,164.41	0.69%
Dallas	1%, 2%	49,823.69	37,475.75	-24.78%	Interior	1.90%	31,518.10	33,772.58	7.15%
Davis	2%	10,364.79	11,773.34	13.59%	Ipswich	2%	373,012.02	403,929.24	8.29%
De Smet	1%, 2%	526,513.49	525,357.39	-0.22%	Irene	1%, 2%	120,530.01	91,022.37	-24.48%

Tax Revenues

City	2013 Rate(s)	FY2012 Remittance	FY2013 Remittance	% Increase (Decrease)
Iroquois	1%	$34,305.36	$33,110.00	-3.48%
Isabel	2%	76,343.67	81,914.42	7.30%
Java	2%	17,911.67	19,825.82	10.69%
Jefferson	2%	120,863.67	120,376.03	-0.40%
Kadoka	1%, 2%	251,286.52	266,504.64	6.06%
Kennebec	1%, 2%	108,051.26	117,774.22	9.00%
Keystone	1%, 2%	777,403.26	815,107.83	4.85%
Kimball	1%, 2%	385,478.56	358,953.91	-6.88%
Kranzburg	2%	23,854.00	27,491.87	15.25%
La Bolt	1%	4,159.16	15,531.77	273.44%
Lake Andes	2%	169,301.32	147,565.16	-12.84%
Lake Norden	1%	185,280.32	185,882.14	0.32%
Lake Preston	2%	174,907.51	175,036.08	0.07%
Langford	2%	67,314.12	64,518.54	-4.15%
Lead	1%, 2%	733,732.36	731,806.72	-0.26%
Lemmon	2%	518,983.40	541,023.07	4.25%
Lennox	2%	438,503.59	440,596.56	0.48%
Leola	2%	102,988.40	105,209.08	2.16%
Lesterville	2%	31,429.63	26,097.86	-16.96%
Letcher	1%, 2%	30,974.03	31,218.64	0.79%
McIntosh	2%	44,533.79	40,107.20	-9.94%
McLaughlin	1%	96,052.22	103,359.93	7.61%
Madison	1%, 2%	2,840,108.95	2,998,866.61	5.59%
Marion	2%	212,826.11	228,536.21	7.38%
Martin	1%, 2%	403,729.22	497,991.95	23.35%
Menno	2%	207,566.25	198,156.08	-4.53%
Midland	2%	65,683.35	71,990.01	9.60%
Milbank	1%, 2%	1,844,670.41	1,864,061.76	1.05%
Miller	2%	727,322.11	796,298.12	9.48%
Mission	2%	483,384.48	483,472.71	0.02%
Mitchell	1%, 2%	10,918,294.27	11,314,815.55	3.63%
Mobridge	1%, 2%	1,557,576.30	1,728,850.29	11.00%
Monroe	2%	6,294.22	6,268.40	-0.41%
Montrose	2%	79,454.27	70,731.26	-10.98%
Morristown	1%	5,429.44	7,103.87	30.84%
Mound City	2%	15,428.14	15,347.62	-0.52%
Mount Vernon	1%, 2%	88,183.03	84,483.66	-4.20%
Murdo	1%, 2%	422,142.89	477,089.06	13.02%
New Underwood	2%	91,112.63	85,832.49	-5.80%
Newell	2%	177,192.67	181,580.51	2.48%
Nisland	2%	18,149.80	21,934.56	20.85%
North Sioux City	1%, 2%	1,802,350.22	1,993,731.16	10.62%
Oacoma	1%, 2%	561,332.79	585,217.23	4.25%
Oldham	2%	5,386.85	16,095.88	198.80%
Olivet	1%	6,289.22	8,113.72	29.01%
Onida	2%	238,092.81	219,225.04	-7.92%
Orient	1%	16,947.31	17,726.56	4.60%
Parker	2%	273,491.41	268,479.04	-1.83%
Parkston	1%, 2%	463,213.20	471,101.62	1.70%
Peever	2%	0	18,439.55	N/A
Philip	2%	423,272.57	419,169.10	-0.97%
Pickstown	2%	70,504.34	67,416.68	-4.38%
Piedmont	2%	134,675.90	135,994.72	0.98%
Pierpont	2%	19,056.87	24,816.40	30.22%
Pierre	1%, 2%	7,175,911.66	7,414,323.40	3.32%
Plankinton	2%	178,613.88	168,767.22	-5.51%
Platte	1%, 2%	660,636.12	660,198.89	-0.07%
Pollock	2%	102,744.21	143,334.94	39.51%
Presho	2%	141,546.87	144,674.66	2.21%
Pringle	2%	21,275.65	23,790.37	11.82%
Quinn	1% GR/ST	5,143.40	7,104.53	38.13%
Ramona	1%	20,077.00	15,452.03	-23.04%
Rapid City	1%, 2%	51,025,814.72	52,353,406.66	2.60%
Redfield	1%, 2%	882,233.23	867,332.69	-1.69%
Reliance	1%, 2%	55,764.71	56,883.45	2.01%
Revillo	1%	$18,055.07	$14,755.32	-18.28%
Roscoe	1%	60,431.96	63,023.95	4.29%
Rosholt	1%	93,814.87	93,813.81	0.00%
Roslyn	2%	44,238.37	43,772.37	-1.05%
Saint Lawrence	2%	41,158.24	53,289.75	29.48%
Salem	1%, 2%	498,441.28	461,956.89	-7.32%
Scotland	2%	372,595.34	328,189.80	-11.92%
Selby	2%	214,316.11	202,993.36	-5.28%
Sherman	1%	4,370.25	5,139.66	17.61%
Sioux Falls	1%, 2%	100,069,234.00	106,471.051.65	6.40%
Sioux Falls Lodging	1%	639,216.49	702,527.50	9.90%
Sisseton	1%, 2%	1,035,938.85	1,085,364.75	4.77%
South Shore	1%	19,037.08	14,252.15	-25.13%
Spearfish	1%, 2%	6,702,101.14	7,065,952.45	5.43%
Spencer	2%	17,310.39	19,151.32	10.63%
Springfield	2%	198,907.51	205,958.74	3.54%
Stickney	2%	108,003.86	106,580.94	-1.32%
Stratford	2%	4,367.54	4,853.62	11.13%
Sturgis	1%, 2%	2,954,783.43	3,079,995.96	4.24%
Summerset	1%, 2%	357,529.74	352,584.41	-1.38%
Summit	2%	91,496.86	118,314.58	29.31%
Tabor	2%	78,120.18	79,218.89	1.41%
Tea	1%, 2%	886,434.69	996,325.68	12.40%
Timber Lake	2%	241,276.04	275,721.97	14.28%
Toronto	1%	37,007.09	39,922.65	7.88%
Trent	1%	11,563.05	9,306.35	-19.52%
Tripp	2%	128,667.01	114,908.45	-10.69%
Tulare	1%	38,423.97	34,199.61	-10.99%
Tyndall	2%	265,762.98	269,081.81	1.25%
Utica	1%	7,713.38	5,628.78	-27.03%
Valley Springs	2%	92,540.99	98,865.31	6.83%
Veblen	1%	38,126.07	35,191.00	-7.70%
Vermillion	1%, 2%	3,296,420.24	3,356,475.53	1.82%
Viborg	1%, 2%	241,495.09	243,382.83	0.78%
Volga	2%	335,190.83	436,547.95	30.24%
Volin	2%	20,813.68	22,168.09	6.51%
Wagner	2%	833,671.98	673,039.92	-19.27%
Wakonda	2%	69,770.30	70,104.32	0.48%
Wall	1%, 2%	1,040,244.45	1,071,576.21	3.01%
Wallace	1%	5,396.65	9,917.01	83.76%
Ward	2%	11,508.26	11,637.41	1.12%
Warner	2%	70,040.20	62,907.34	-10.18%
Wasta	1%	6,027.65	4,821.57	-20.01%
Watertown	1%, 2%	13,713,140.41	14,350,001.58	4.64%
Waubay	2%	105,603.54	135,494.30	28.30%
Webster	1%, 2%	782,280.10	898,876.40	14.90%
Wentworth	2%	38,290.01	41,952.60	9.57%
Wessington	1%	41,725.02	41,024.46	-1.68%
Wessington Springs	2%	340,368.54	302,928.67	-11.00%
White	2%	78,125.06	74,421.41	-4.74%
White Lake	1%, 2%	84,138.66	75,708.27	-10.02%
White River	2%	141,539.28	133,863.62	-5.42%
Whitewood	1%, 2%	294,480.51	240,129.70	-18.46%
Willow Lake	2%	68,267.39	63,517.87	-6.96%
Wilmot	2%	132,643.88	136,410.17	2.84%
Winner	1%, 2%	1,493,940.75	1,560,932.72	4.48%
Witten	2%	11,227.54	13,010.35	15.88%
Wolsey	2%	121,009.79	114,276.22	-5.56%
Wood	2%	11,559.23	12,296.94	6.38%
Woonsocket	2%	264,193.52	216,906.58	-17.90%
Worthing	1%, 2%	120,326.03	141,547.79	17.64%
Yale	1%	14,745.04	16,154.03	9.56%
Yankton	1%, 2%	8,358,566.10	8,519,111.48	1.92%
TOTAL		**$303,463,757.93**	**$317,168,147.09**	**5.59%**

Tribal Tax Collection Agreements

The State of South Dakota and five Indian tribes have entered into tax collection agreements that cover sales, use and contractors' excise tax. The state and two Indian tribes have entered into tax collection agreements that cover use and contractors' excise tax. On the Indian Country areas that are covered by a tax collection agreement, the state and the Tribe each have the ability to tax certain individuals and certain transactions. The state collects all state taxes in the Indian Country areas and also collects and remits the taxes in those areas for the respective tribe.

Tribe	2013 Rate(s)	FY2012 Remittance	FY2013 Remittance	% Increase (Decrease)
Cheyenne River Sioux Tribe	2% ET, 4% ST, 1.5 Tourism	$3,376,952.74	$3,390,401.70	0.40%
Crow Creek Sioux Tribe	2% ET, 4% ST, 1.5 Tourism	238,067.80	322,351.56	35.40%
Oglala Sioux Tribe	2% ET, 4% ST	4,208,711.78	3,535,074.87	-16.01%
Rosebud Sioux Tribe	2% ET, 4% ST, 1.5 Tourism	2,859,627.64	2,425,718.89	-15.17%
Sisseton Wahpeton Oyate	2% ET, 4% UT	1,221.39	852.16	-30.23%
Standing Rock Sioux Tribe	2% ET, 4% ST, 1.5 Tourism	1,051,776.94	848,104.65	-19.36%
Yankton Sioux Tribe	2% ET, 4% UT	37,421.42	2,136.04	94.29%
Total		**$11,773,779.71**	**$10,524,639.87**	

Meet Bobi Adams - Senior Revenue Agent

"In 2000, I moved to South Dakota to become a Revenue Agent for the Department of Revenue. I also serve as the Department's tribal liaison. The past 13 years have been some of the most challenging, yet rewarding years of my life."

Tourism Tax

The division also administers the tourism or seasonal tax, which is an additional 1.5% tax on certain lodging and amusement services that is imposed for tourism promotion. The tourism tax rate changed effective July 1, 2009, from 1% to 1.5%. Although this increase was introduced as a temporary change, legislation passed in the 2013 Legislative Session effectively removed the sunset clause. The tourism tax on lodging establishments, campgrounds, motor vehicle rentals, recreational equipment rentals, recreational services, spectator events and visitor attractions applies year-round. The tourism tax on visitor-intensive businesses applies during the months of June, July, August, and September. For FY2013, tourism tax collections, including audit collections, totalled $10,115,967.

Special Events

Revenue agents license vendors to collect state sales, municipal and tourism tax at various special events across the state throughout the year. The table below compares tax collected from some of South Dakota's major special events from fiscal year 2013 to the previous year.

Total Tax Collected from Special Events 2012 - 2013

	FY2012*	FY2013*	% Increase (Decrease)
Brookings Art Festival	$27,630.12	$28,551.60	3.34%
Brown County Fair	28,921.26	19,676.83	-31.96%
South Dakota State Fair	145,951.35	147,873.53	1.32%
Northern Hills Motorcycle Rally**	957,298.24	981,232.81	2.50%
Southern Hills Motorcycle Rally ***	256,866.16	265,644.56	3.42%
Central States Fair	43,106.85	43,650.38	1.26%
Sioux Empire Fair	43,673.26	56,793.67	30.04%
Spearfish Arts Festival	13,495.64	13,938.02	3.28%
TOTAL	**$1,516,942.88**	**$1,557,361.40**	**2.66%**

*Total tax includes state, municipal, municipal gross receipts, and tourism taxes
**Northern Hills Rally includes Meade, Lawrence and Butte Counties, as well as the cities within those counties
***Southern Hills Rally includes Pennington, Custer, and Fall River Counties, as well as the cities within those counties.

Compliance and Reviews

The Business Tax Division's revenue agents are responsible for locating, monitoring and investigating any leads they receive concerning businesses or individuals who may be operating in South Dakota without a tax license or those who fail to properly collect or remit sales, use or contractors' excise tax. They accomplish this using a variety of resources, including Internet searches, newspapers, bulletin boards, government contracts, building permits, information from other government agencies and leads from audits or reviews. In fiscal year 2013, the Business Tax Division closed 20,554 compliance cases and collected $7,028,514.84.

The review program was implemented by the division as a means to increase compliance with the state's tax laws. By evaluating a taxpayer's records, revenue agents are able to identify any outstanding tax obligations the taxpayer may have to the state. As such reviews require less time to conduct, use of the program enables the department to contact a greater number of taxpayers including smaller businesses that may never come up for audit. Reviews also provide one-on-one tax law education to the taxpayer, increasing future compliance and collections, and operate more efficiently in terms of staff time and travel costs. In fiscal year 2013, the division conducted 189 reviews and collected $334,291.

Construction Refund Programs

South Dakota offers various programs that allow businesses to seek a refund of sales, use and contractors' excise tax, or delay the payment of sales and use taxes. The Business Tax Division monitored and processed refunds or tax savings totaling more than $95 million since fiscal year 2002. The total amount refunded in fiscal year 2013 was $7,942,986. Information on the types of programs offered in fiscal year 2013 is shown below.

New and Expanded Construction Refund

This program now includes new and expanded construction plus agricultural refunds. Project costs must be greater than $10 million. The program provides for refunds of contractors' excise tax and sales and use tax on project costs based on the following scale: $0-$10 million (no refund); $10-$40 (45%); $40-$500 million (55%); $500 million and larger (no refund). Established in SDCL 10-45B, this program ended on December 31, 2012.

Wind Energy

This program is available for new and expanded wind farms, electric transmission lines and new facilities that manufacture, assemble or distribute wind or transmission components. Project costs must be greater than $10 million. The program provides for refunds of contractors' excise tax and sales and use tax on project costs based on the following scale: $0-$10 million (no refund); $10-$40 million (45%); $40 million and larger (55%). Established in SDCL 10-45B, this program ended on December 31, 2012.

Large Wind Farms

New and expanded wind generation facilities producing more than 10 megawatts of electricity qualify for this program. Such projects receive a tax rate reduction with project owners paying 1% excise tax instead of 2%. The owner must pay the tax in four equal installments. No exemption or refund is given for sales or use tax.

Small Wind Farms

This program is available for new and expanded wind generation facilities that produce 10 megawatts of electricity or less and have project costs greater than $500,000. It provides for refunds of 100% of the excise tax. No exemption or refund is given for sales or use tax.

Streamlined Sales Tax Project

The Streamlined Sales Tax Project is a multi-state effort to design, test and implement a system to radically simplify sales and use tax collection and administration by retailers and states. South Dakota has been involved in the project since its inception, and is one of its full member states. Full members are those states whose sales tax laws and policies are in substantial compliance with each of the provisions of the Streamlined Sales and Use Tax Agreement (SSUTA).

The SSUTA was officially implemented on October 1, 2005, and effective that date, retailers can register to collect or pay sales taxes in the Agreement's member states through a web-based centralized registration system. Since such registration began, the Business Tax Division has issued 1,973 tax licenses.

The Special Taxes program administers taxes on tobacco, alcohol, banks, minerals and several small industries; regulates the tobacco and alcohol industries; and administers the state's sales and property tax refund program for the elderly and disabled. In the last 10 years, revenues from the division have ranged from a high of $155.7 million in 2008 to $97.9 million in 2005. In fiscal year 2013, revenues in this program showed a decrease of $24,451,024 from 2012 with total collections of $125,819,051.

Many of the taxes and fees collected by the division are shared between the State and local governments. Examples include bank franchise tax, energy minerals severance tax, amusement machine registration fees, and certain alcohol taxes and license fees. Of the total amount collected in fiscal year 2013, the program reverted $28,523,036 back to counties and municipalities.

Alcohol Regulation

If an alcohol licensee is caught selling alcohol to a person under the age of 21, the department penalizes the licensee with a fine or suspension. In fiscal year 2013, a total of $81,500 in civil penalties was collected from businesses/alcohol licensees who made illegal sales to persons under the age of 21.

If an alcohol licensee has been caught selling alcohol to a person under the age of 21 three or more times in a 24-month period, the department will typically suspend the alcohol license for 14 days. Licenses may also be suspended for other violations, such as after-hour sales or selling alcohol to someone who is obviously intoxicated. In the fiscal year 2013, the department suspended the license of one business for three days and three businesses for 14 days each.

The department receives information on underage sales from county clerks of court and from city and county law enforcement officers when they conduct alcohol compliance checks. In fiscal year 2013, eleven cities and twelve counties conducted compliance checks. The chart below indicates the number of compliance checks and the failure rate for the past five fiscal years.

Alcohol Compliance Checks: 2009 - 2013

Fiscal Year	Number of Checks	Number of Illegal Sales	Failure Rates
2009	1265	227	17.9%
2010	1007	144	14.3%
2011	980	110	11.2%
2012	1003	112	11.2%
2013	946	86	9.1%
Total	**5201**	**679**	**13.1% (avg.)**

Sales or Property Tax Refund Program

The Sales or Property Tax Refund Program is a method of returning to senior and disabled citizens, within certain income guidelines, some of the dollars they pay each year in sales and property taxes. The program has been in effect since 1974 and during that period has returned over $30 million to qualifying South Dakotans.

Applications for the tax refund program must be made prior to July 1. Completed applications are submitted to the Department of Revenue office in Pierre for processing. Refunds are processed in the beginning of September.

Information on the Sales or Property Tax Refund Program, including eligibility requirements and income guidelines, is available on the Department's website at http://dor.sd.gov in the Special Taxes section.

The following chart indicates the number of refunds requested and approved as well as the dollars refunded for the past five fiscal years.

Sales and Property Tax Refunds: 2009 - 2013

Fiscal Year	Applications Received	Applications Approved	Dollars Refunded
2009	3115	2909	$600,982
2010	2680	2411	501,060
2011	2784	2392	466,125
2012	2380	2205	440,140
2013	2180	2059	438,165
Total	**13,139**	**11,976**	**$2,446,472**

Information available in the Special Taxes section on the Department's website includes:

for alcohol: alcohol license applications, legal age issues, and operating hours for selling alcohol; and

for cigarettes/tobacco: required forms, minimum pricing, and licensees by name; as well as

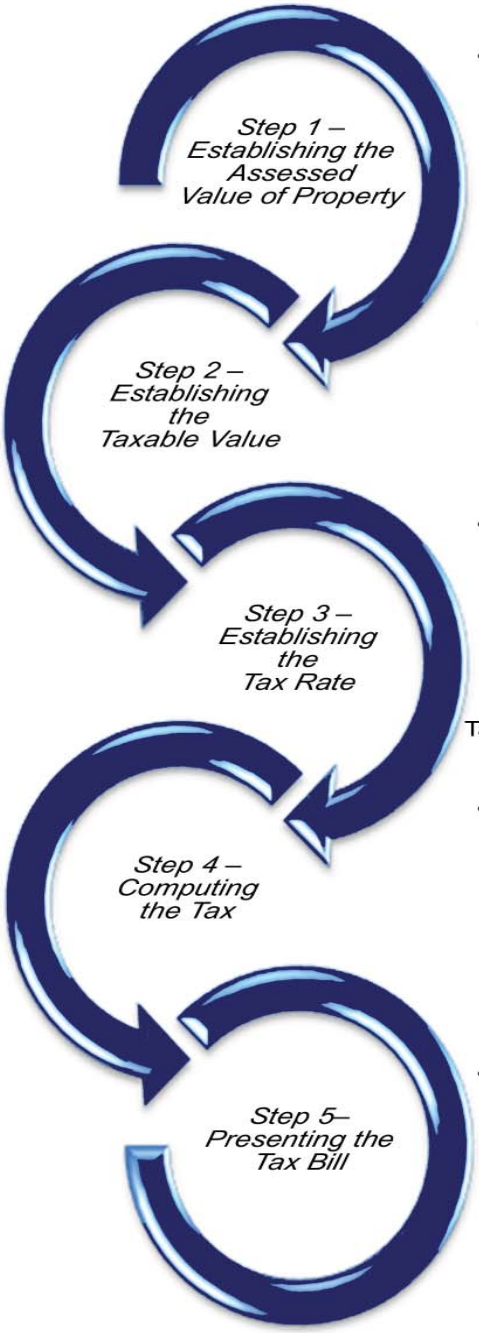
for other special taxes, such as: bank franchise tax forms, coin-operated washer and dryer license applications, energy mineral severance tax and conservation tax information, and precious metals tax quarterly and annual returns...and much more.

Property Taxes

Property taxes are the primary source of funding for school systems, counties, municipalities and other units of local government. The state does not collect or spend any property tax money. Each county administers its own property tax system; the department's authority is limited to assisting local governments in making property tax assessments that are fair and in compliance with the law.

Steps in the Determination of Property Taxes

The following provides the steps that are common to the application of property taxes in each government unit (excluding centrally assessed properties).



- **The full and true (assessed) value of all property in the state is determined as of the legal assessment date which is Nov. 1 prior to the assessment year (November 1, 2012 for the 2013 assessment year, taxes payable in 2014).**

  Each Director of Equalization in the 66 counties in the State is to assess all real property within the county at the full and true value. Assessment notices are sent to the property owner on or before March 1 of each year.

- **Determine the taxable value of the property.**

  All property is to be assessed at full and true value. Then the property is equalized to 85% for property tax purposes. If the county is at 100% of full and true value, then the equalization factor (the number to get to the 85% taxable value) would be 0.85. (example: full and true value of $120,000 x 85% = taxable value of $102,000)

- **Determine the tax levy for all taxing jurisdictions which can tax the property.**

  Tax levies for each taxing jurisdiction are determined by dividing the tax levy request by the total taxable value within the taxing jurisdiction and multiplying the result by 1,000. For example, if the taxable value within a city is $10,000,000 and the city has a tax levy request of $100,000, the tax levy is computed as follows:

  Tax levy – (tax levy requested divided by taxable value) X 1,000
  Tax levy – ($100,000/$10,000,000) X 1,000 = $10 per thousand

- **Taxes are computed for individual properties.**

  Taxes are computed by multiplying the taxable value times the tax levy. For example, if the person has property with taxable value of $102,000, the property taxes for city purposes would be computed as follows:

  Taxes = taxable value (Tax levy divided by 1,000)
  Taxes = $102,000 x ($10/1,000) = $1,020

  This same step is done for this property for each taxing district that can tax the property, such as county, city, school, fire district, etc. The sum would be the total property taxes due on the property.

- **Tax bills are sent to property owner.**

  Taxes are due and payable January 1 of the year following assessment (2013 assessment, taxes are due and payable January 1, 2014). They do not become delinquent if one-half of the taxes are paid before May 1 and the remaining half paid before November 1. All property taxes are paid to the county treasurer in the county where the property is located.

In 2012, South Dakota property owners paid more than $1 billion to fund local governments and provide K-12 education for the state's children. The following two tables show the portion of the total taxes paid by each classification of property, and where the money collected is spent.

Property Taxes: Who Pays

Year Taxes Are Payable	Agricultural*	% of Total	Owner - Occupied	% of Total	Commercial	% of Total	Utilities	% of Total	Special Assessments	% of Total	TOTAL
2003	$176,354,349	25.24	$258,757,664	37.03	$222,277,922	31.81	$31,052,406	4.44	$10,279,053	1.47	$698,721,394
2004	183,027,601	25.24	273,180,527	37.67	229,836,765	31.69	30,282,567	4.18	8,835,378	1.22	725,162,838
2005	190,743,858	25.21	289,985,539	38.32	236,891,146	31.31	28,975,635	3.83	10,120,766	1.34	756,716,943
2006	202,173,330	25.17	309,831,254	38.58	252,523,983	31.44	27,191,751	3.39	11,422,093	1.42	803,142,410
2007	211,381,559	24.93	330,332,434	38.96	267,236,569	31.52	25,266,119	2.98	13,675,583	1.61	847,892,758
2008	219,709,028	24.87	348,147,127	39.41	277,552,244	31.42	22,957,006	2.60	15,057,152	1.70	883,422,556
2009	231,587,046	24.81	368,765,290	39.51	292,805,927	31.37	23,025,217	2.47	17,091,242	1.83	933,274,722
2010	239,627,362	24.50	388,867,662	39.76	307,499,562	31.44	23,463,130	2.40	18,467,990	1.89	977,925,706
2011	240,496,832	23.97	403,337,138	40.21	312,194,141	31.12	22,646,984	2.26	24,485,447	2.44	1,003,160,542
2012	252,715,223	24.50	414,066,249	40.14	321,656,276	31.18	24,275,738	2.35	18,819,754	1.83	1,031,533,239
2013	269,377,688	25.14	424,725,465	39.64	331,147,206	30.91	26,337,906	2.46	19,768,706	1.83	1,071,356,971

* Agricultural property taxes include NA-Z taxes for pay 2003 to 2010

Meet Karla Harkness - Property Tax Specialist

Karla works with counties on property tax regulation, conducts audits and reviews audit reports, analyzes information collected for compliance, ensures proper procedures for compliance and sales ratio reports, conducts training and provides county officials with required documents.

Property Taxes: Where the Money Goes

For Taxes Payable In	County	% of Total	Municipalities	% of Total	Schools	% of Total	Townships	% of Total	Special Assessments	% of Total	TOTAL
2003	$172,099,579	24.63	$87,349,216	12.50	$417,257,623	59.72	$11,735,923	1.68	$10,279,053	1.47	$698,721,394
2004	182,029,759	25.10	92,005,243	12.69	430,465,020	59.36	11,827,439	1.63	8,835,378	1.22	725,162,838
2005	190,946,759	25.23	96,379,649	12.74	447,203,111	59.10	12,066,658	1.59	10,120,766	1.34	756,716,943
2006	201,763,441	25.12	102,625,076	12.78	475,005,462	59.14	12,326,339	1.53	11,422,093	1.42	803,142,410
2007	215,590,027	25.43	109,964,079	12.97	495,863,786	58.48	12,798,789	1.51	13,675,583	1.61	847,892,264
2008	231,487,473	26.20	116,772,552	13.22	506,618,292	57.35	13,487,087	1.53	15,057,152	1.70	883,422,556
2009	248,284,680	26.60	124,481,492	13.34	529,246,426	56.71	14,170,891	1.52	17,091,242	1.83	933,274,722
2010	267,475,363	27.35	131,066,116	13.40	546,181,894	55.85	14,734,342	1.51	18,467,990	1.89	977,925,706
2011	268,440,562	26.76	133,749,586	13.33	560,022,922	55.83	16,462,026	1.64	24,485,447	2.44	1,003,160,542
2012	281,180,299	27.26	139,272,206	13.50	574,213,937	55.67	18,047,044	1.75	18,819,753	1.82	1,031,533,239
2013	296,987,309	27.72	145,762,092	13.61	589,839,803	55.06	18,999,061	1.77	19,768,706	1.85	1,071,356,971

Taxable Valuations by County

The following chart indicates the amount of taxable value in each of South Dakota's 66 counties, broken out by the class of property. The "Other" category includes residential property not occupied by the owner, commercial property, and utility property.

Taxable Valuations: 2013 Taxes Payable 2014

County	Ag Real Valuation	Owner-Occupied Valuation	Other Valuation	Total Valuation	County	Ag Real Valuation	Owner-Occupied Valuation	Other Valuation	Total Valuation
Aurora	$446,875,853	$38,719,994	$24,318,473	$509,914,320	Hyde	$360,368,222	$18,123,813	$22,358,149	$400,850,184
Beadle	851,191,940	450,024,601	333,730,838	1,634,947,379	Jackson	155,188,682	14,906,968	12,130,358	182,226,008
Bennett	126,760,616	20,473,381	10,296,559	157,530,556	Jerauld	297,774,012	27,650,390	26,022,150	351,446,552
Bon Homme	407,272,226	91,412,267	42,396,341	541,080,834	Jones	211,279,383	13,206,785	13,205,051	237,691,219
Brookings	671,262,510	905,654,880	711,880,047	2,288,797,437	Kingsbury	627,830,242	100,310,894	77,565,351	805,706,487
Brown	997,685,709	1,272,785,347	806,235,834	3,076,706,890	Lake	514,680,606	378,284,425	223,729,894	1,116,694,925
Brule	436,710,867	89,779,596	57,262,854	583,753,317	Lawrence	42,397,470	1,033,140,588	937,463,325	2,013,001,383
Buffalo	121,551,856	1,214,600	1,182,195	123,948,651	Lincoln	585,538,299	2,461,244,231	909,444,829	3,956,227,359
Butte	176,169,647	286,296,380	143,909,179	606,375,206	Lyman	446,191,086	45,140,843	39,107,401	530,439,330
Campbell	242,920,304	26,067,791	22,261,606	291,249,701	Marshall	487,161,862	108,318,702	89,254,256	684,734,820
Charles Mix	671,565,375	130,647,245	96,497,697	898,710,317	McCook	558,751,766	128,864,292	56,759,041	744,375,099
Clark	564,620,595	45,609,108	80,791,863	691,021,566	McPherson	464,038,583	39,161,886	32,749,462	535,949,931
Clay	419,941,683	272,379,310	185,752,949	878,073,942	Meade	422,644,055	940,224,663	382,316,457	1,745,185,175
Codington	478,136,603	973,948,453	565,940,406	2,018,025,462	Mellette	148,513,171	9,854,871	5,240,376	163,608,418
Corson	185,042,887	9,852,599	29,519,051	224,414,537	Miner	436,773,288	27,118,380	47,170,748	511,062,416
Custer	105,128,781	401,731,572	280,117,041	786,977,394	Minnehaha	681,299,015	6,050,903,249	4,267,760,269	10,999,962,533
Davison	343,602,660	556,211,127	387,847,340	1,287,661,127	Moody	534,817,462	154,269,910	42,753,776	731,841,148
Day	487,027,971	114,220,084	152,718,184	753,966,239	Pennington	248,513,874	3,966,379,104	2,900,305,525	7,115,198,503
Deuel	464,634,089	99,655,803	80,999,737	645,289,629	Perkins	334,912,880	28,534,952	19,161,617	382,609,449
Dewey	157,319,032	14,246,454	15,385,433	186,950,919	Potter	433,286,154	49,568,171	35,343,357	518,197,682
Douglas	333,945,594	35,919,600	18,983,593	388,848,787	Roberts	487,192,932	137,991,588	84,757,825	709,942,345
Edmunds	571,745,231	103,467,916	86,173,145	761,386,292	Sanborn	383,330,100	34,815,917	21,197,242	439,343,259
Fall River	111,007,120	180,929,570	178,375,577	470,312,267	Shannon	25,697,050	2,533,420	2,618,831	30,849,301
Faulk	525,632,474	22,341,719	14,001,565	561,975,758	Spink	1,066,563,437	91,995,879	80,334,208	1,238,893,524
Grant	451,169,531	170,668,615	187,480,749	809,318,895	Stanley	218,162,646	118,456,611	78,890,893	415,510,150
Gregory	325,316,682	47,646,937	25,117,088	398,080,707	Sully	567,128,077	36,940,898	56,598,578	660,667,553
Haakon	318,474,683	25,481,546	22,965,082	366,921,311	Todd	104,889,385	10,961,955	12,643,066	128,494,406
Hamlin	418,988,022	165,656,490	106,264,234	690,908,746	Tripp	543,492,867	91,104,027	50,928,089	685,524,983
Hand	783,139,033	68,020,557	37,188,301	888,347,891	Turner	597,922,080	207,904,710	74,360,249	880,187,039
Hanson	332,873,931	74,672,872	32,837,034	440,383,837	Union	516,944,588	672,501,949	323,585,673	1,513,032,210
Harding	170,608,857	13,851,765	34,229,795	218,690,417	Walworth	284,240,143	97,510,512	81,601,675	463,352,330
Hughes	263,975,470	631,072,002	306,314,475	1,201,361,947	Yankton	435,678,511	681,788,447	385,256,945	1,502,723,903
Hutchinson	703,163,875	133,603,283	96,957,416	933,724,574	Ziebach	141,374,061	3,161,174	5,926,426	150,461,661

	Ag Real Valuation	Owner-Occupied Valuation	Other Valuation	Total Valuation
State Totals	**$27,030,037,696**	**$25,257,137,668**	**$16,574,472,773**	**$68,861,648,137**

The following chart shows the change in each classification of property, as well as the change in each classification's percentage of total valuation for taxes payable from 2002 to 2012.

Taxable Valuations by Category: 2003-2013

For Taxes Payable in	Agricultural*	% of Total	Owner-Occupied	% of Total	Commercial	% of Total	Utilities	% of Total	TOTAL
2003	12,277,695,126	35.43	13,038,052,643	37.62	8,212,742,597	23.70	1,126,545,169	3.25	34,655,035,535
2004	13,085,504,017	35.07	14,269,607,712	38.25	8,811,374,289	23.62	1,141,657,751	3.06	37,308,143,769
2005	14,015,749,247	35.03	15,523,846,537	38.79	9,362,992,929	23.40	1,113,225,824	2.78	40,015,814,537
2006	15,097,290,060	34.80	16,954,988,100	39.08	10,238,689,250	23.60	1,093,714,459	2.52	43,384,681,869
2007	16,427,689,981	34.54	18,633,455,339	39.18	11,336,818,639	23.84	1,158,792,774	2.44	47,556,756,733
2008	17,688,985,934	34.23	20,353,223,881	39.39	12,504,672,828	24.20	1,124,579,669	2.18	51,671,462,309
2009	19,058,117,169	34.49	21,687,103,039	39.25	13,334,072,762	24.13	1,169,829,792	2.12	55,249,122,762
2010	19,690,137,457	34.11	22,768,420,477	39.44	14,051,480,469	24.34	1,222,801,442	2.12	57,732,839,845
2011	19,691,529,066	33.38	23,726,031,354	40.22	14,345,035,001	24.32	1,222,426,811	2.07	58,985,022,232
2012	21,198,601,461	34.84	24,168,972,982	39.72	14,186,603,573	23.32	1,289,522,163	2.12	60,843,700,179
2013	23,009,157,595	36.52	24,187,671,139	38.39	14,543,781,399	23.09	1,258,762,412	2.00	62,999,372,545

*Agricultural value includes NA-Z value for pay 2003 to 2010

Productivity Valuation

Beginning with the 2010 assessments (for taxes paid in 2011), agricultural land in South Dakota has been assessed based upon its productivity value. The productivity valuation system has three steps. They are:

1) First, revenue information is used to determine a "gross revenue per acre" for both cropland and pastureland in each county.
2) Second, the "gross revenue per acre" amount is further used to determine an "average value per acre" for both cropland and pastureland.
3) Finally, the "average value per acre" is used to determine a value for all of the ag land in the county.

To prevent sudden large shifts in values and to ensure there was time to address any unanticipated problems, the Legislature originally limited the increases or decreases to 10% a year. The 2012 Legislature further adjusted this limitation to a tiered system with the passage of House Bill 1003. The tiered system will assist the counties in achieving full productivity value.

The transition to productivity valuation did not change the appeal rights of property owners. In South Dakota, property cannot be assessed for more than its market value and must be assessed equitably in relation to other property in the county. Information on the property tax appeal process, as well as material on property tax calculations, property tax laws and the property tax relief programs is available on the department's website in the Property Tax section.

Limits on Property Taxes

The South Dakota Legislature has enacted two independent systems that limit the growth of property taxes. The first is the state aid to education payments. These payments effectively replace property taxes for schools that would otherwise be paid by owners of agricultural and owner-occupied homes. The second system is the caps placed on the property taxes collected by all levels of local government (except schools). These caps limit the local governments' property tax collections to the amount they collected the previous year, plus small increases for inflation and new construction.

State Aid to Education Payments

Agricultural and owner-occupied property owners benefit from the funding for education provided by the state. The state provides extra revenue for K-12 education that would otherwise have to be paid by these property owners. The benefit is provided to the taxpayer through a tax rate reduction for the school general fund levy. The school general fund levy rates for taxes payable in 2013 are set statewide as follows:

Ag	$2.090/$1,000 of value
Owner-Occupied	$4.296/$1,000 of value
Other	$9.200/$1,000 of value

Property Tax Caps

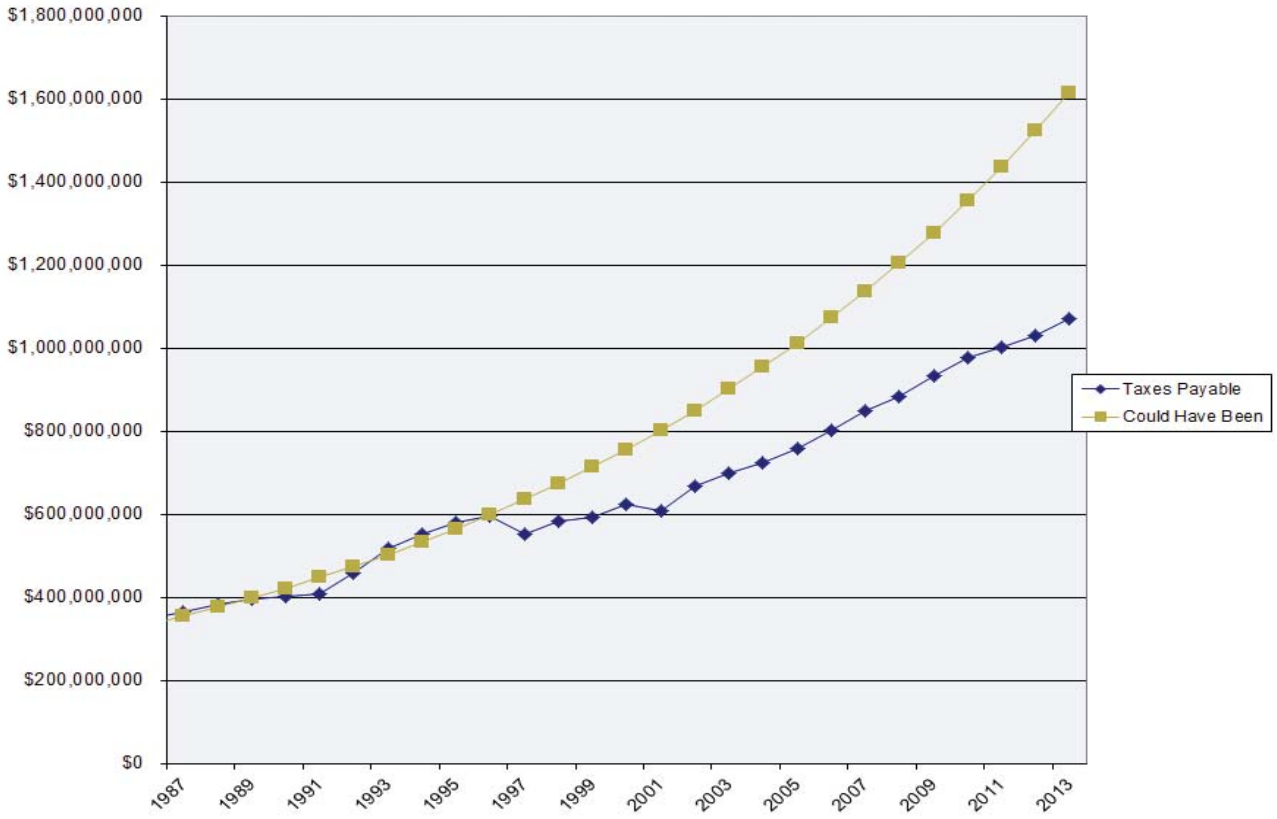
State law limits the amount of property taxes that local governments (counties, cities, townships, fire districts, etc.) can collect from their property owners. Market increases in the value of the property within the taxing district automatically decrease the property tax rates upon that property to ensure that the caps are not exceeded. Local governments are limited to the amount of property taxes they collected last year, plus an increase for inflation based upon the consumer price index (but not more than 3%) and for new construction within the taxing jurisdiction.

An example will illustrate how the property tax caps work. Assume that last year, the total property valuation within a city was $100 million and the city collected $300,000 from property taxes. To collect the $300,000, the city assessed property within the city a tax of $3.00/$1,000 of assessed value. This year, the consumer price index is 2%, a new subdivision was created within the city with a total valuation of $1 million, and a hot real estate market increased the value of the existing property within the city to $109 million. The city can increase the $300,000 it received from property taxes last year by 3% (2% for the CPI and 1% for new construction) for a total of $309,000. To prevent the city from going over the cap, the tax rate applied to the $110 million of property within the district (market value of $109 million plus the new $1 million subdivision), is automatically lowered from last year's rate of $3.00/$1,000 of value to $2.81/$1,000 of value.

Combined Effect of Tax Caps and State Aid Payments

Historically, property taxes have increased at a rate of about 6% per year since 1947. Property tax caps and state aid to education payments have significantly slowed this increase. If the historical rate of property tax growth had continued through the 1990's, current property owners would be paying over $1.40 billion in property taxes. Instead, property owners are paying just over $1 billion of property taxes. The chart on the next page shows the historical growth of property taxes and the actual growth of property taxes. These programs were implemented in 1997.

Historical Growth of Property Taxes v. Actual Growth



Effective Property Tax Rates

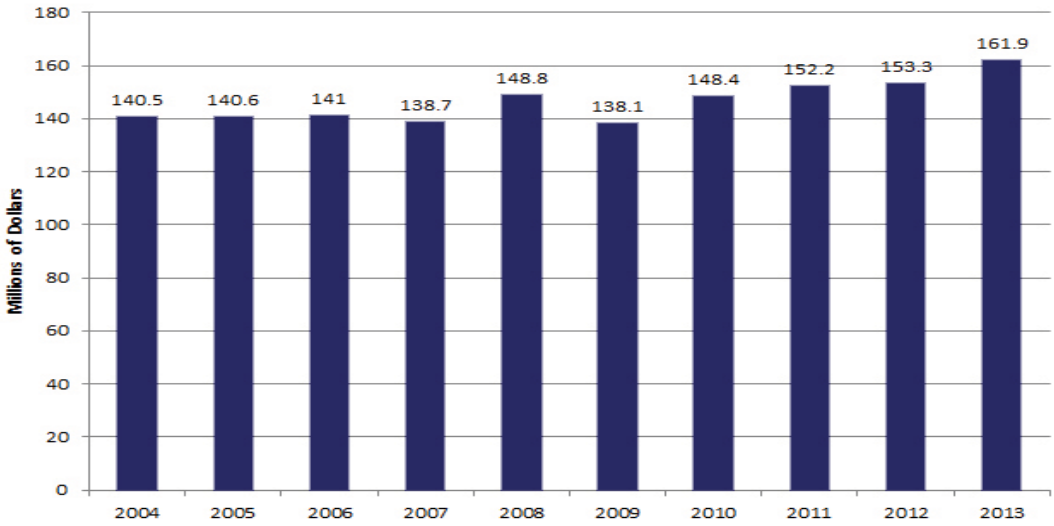
The following table shows the effective tax rate for owner-occupied, agricultural, and commercial property in 25 South Dakota jurisdictions payable in 2013. The "Other" category includes commercial property, utility property, and residential property not occupied by the owner. The effective tax rate is the percentage of a property's market value that will be paid in taxes. For example, if the effective tax rate is 2%, and the market value of the property is $150,000, then the taxes will be about $3,000 per year. The "Agricultural" effective tax rate is for the agricultural property in the township around the cities on the list.

City	Agricultural Effective Tax Rate	Owner-Occupied Effective Tax Rate	Other Effective Tax Rate	City	Agricultural Effective Tax Rate	Owner-Occupied Effective Tax Rate	Other Effective Tax Rate
Aberdeen	1.20	1.70	2.10	Mobridge	1.39	2.16	2.71
Belle Fourche	1.09	1.81	2.22	Pierre	1.04	1.47	1.86
Brandon	1.10	1.57	1.96	Rapid City	1.31	1.49	1.90
Brookings	1.22	1.50	1.93	Redfield	1.03	2.79	3.41
Canton	0.95	1.90	2.29	Sioux Falls	1.00	1.45	1.89
Chamberlain	0.96	1.86	2.25	Sisseton	1.04	2.31	2.70
Dell Rapids	1.13	1.69	2.08	Sturgis	1.10	1.89	2.28
Flandreau	1.08	1.96	2.36	Vermillion	1.29	1.91	2.45
Hot Springs	1.19	1.80	2.19	Watertown	1.00	1.29	1.68
Huron	1.05	1.88	2.34	Webster	1.09	1.84	2.23
Madison	1.01	1.89	2.32	Winner	0.98	1.73	2.12
Milbank	1.16	1.62	2.01	Yankton	1.10	1.43	1.83
Mitchell	1.16	1.71	2.13	**Statewide**	**1.00**	**1.49**	**1.92**

Total Fuel Tax Revenues

Gasoline, ethyl and methyl alcohol, aviation fuel, jet fuel, liquid petroleum gas (LPG), and diesel fuel all fall into the fuel tax category. In fiscal year 2013, total fuel tax revenues amounted to $161,903,333. Motor fuel (gasoline) and special fuel taxes accounted for 87.7% of the total fuel tax revenues for fiscal year 2013 with 10.9% from tank inspection fees, 0.9% from interstate/IFTA fuel taxes, and the remaining 0.5% from the aviation fuel tax. The chart below compares South Dakota's fuel tax revenues for the past 10 years.

Total Fuel Revenues (2004-2013)



Motor Fuel Supplier and Importer/Exporter E-filing

In fiscal year 2012, the Division of Motor Vehicles introduced online return filing and payment of tax for motor fuel suppliers. A person that owns motor fuel or special fuel in the pipeline and terminal distribution system in South Dakota and makes sales or authorizes the removal of this fuel from the terminal at the rack must be licensed as a supplier. This license requirement includes the person who owns fuel in the pipeline immediately before it is withdrawn at the terminal rack.

In fiscal year 2013, motor fuel importers/exporters were included in the online return filing and payment option. An importer is any person who purchases or owns motor fuel or special fuel in another state or country and transports or delivers or causes the fuel to be transported or delivered into South Dakota. An exporter is any person who purchases or owns motor fuel or special fuel in South Dakota and transports or delivers or causes the fuel to be transported or delivered to another state or country.

South Dakota motor fuel suppliers and importer/exporters are required to file and remit motor fuel tax through the department's online filing portal known as EPath. The EPath system allows motor fuel filers to enter or upload their schedules or templates and performs all calculations required to complete the return. Electronic return filing and tax remittance will be expanded over time to include all types of motor fuel licenses.

Titles and Registration

Any vehicle (including manufactured homes, trailers, snowmobiles, ATV's and large boats) that operates on South Dakota's roadways and waterways must have a title verifying ownership. Vehicles and boats used on public roadways or waterways must also be registered. Registration is confirmed by the issuance of a license plate, decal or permit. Title and registration revenues for fiscal year 2013 totaled $122,597,802 which were distributed as follows: 57.1% to the Department of Transportation, 33.3% to local governments, and the remaining 9.6% to other sectors.

Title and Registration Revenues

	FY2012	FY2013	Percent Change
License Plate Fees - State's Share*	$ 3,444,881	$ 3,694,011	7.23%
License Plate Fees - Counties', Cities', Townships' Share	38,079,343	40,772,301	7.07%
Snowmobiles	129,065	93,957	-27.20%
Boats	883,940	1,191,408	34.78%
Temporary Special Permits	68,715	75,674	10.13%
Mobile Home Plates	9,400	6,125	-34.84%
Dealer Fees	219,091	235,502	7.49%
Duplicate Plates, Replacement Plates	221,698	228,890	3.24%
Title and Penalty Fees	2,466,561	2,442,123	-0.99%
Trailer ID Fees	67,882	67,180	-1.03%
Motorcycle Safety Education Fees	563,143	570,913	1.38%
Mobile Home Registration Fees - State's Share	93,101	91,815	-1.38%
Other Vehicle 3% Excise Tax	66,235,705	70,034,990	5.74%
Snowmobile 3% Excise Tax	353,777	387,991	9.67%
Register of Deeds Fees	193,020	192,505	-0.27%
DENR - Solid Waste Fees	1,199,149	1,214,307	1.26%
DPS - Highway Patrol Fees	1,283,361	1,298,110	
Total Receipts	**$115,511,832**	**$122,597,802**	**6.13%**

**State Motor Vehicle Fund, License Plate Special Revenue Fund*

Commercial Motor Vehicle Licensing

Commercial registration fees (licensing fees) are levied on intrastate and interstate motor carriers doing business in the state. The amount of the fee for interstate registration is determined by the percentage of miles the carrier travels in all the states. Over 98% of the fees are used by local governments to maintain public roads. Prorate revenues during fiscal 2013 were $17,076,532. The largest share (57%) was distributed to the local government highway and bridge fund, with 41.5% to the counties, 1% to the license plate fund, and 0.5% to the motor vehicle fund.

Motor Fuel/Motor Vehicles

Several options are available to South Dakotans to renew their motor vehicle registration. In addition to the regular options of renewing in person at the county Treasurer's Office or by mail through the county, the Division of Motor Vehicles also offers online Internet renewal and vehicle registration renewal through self-service terminals.

SDcars.org

The South Dakota Customized Automated Registration System can be accessed at www.SDcars.org and is available any time, day or night. Motor vehicle owners can complete a vehicle's registration renewal from 90 days prior to a vehicle's registration expiration date until 30 days after the expiration date. (Note: *Driving your vehicle with expired registration/license tags subjects you to enforcement action.)*

Vehicle owners wanting to renew online must enter an identification number along with their date of birth. In the case of a company, detailed instructions and a password that must be used in the online renewal process are provided by mail. Only vehicles listed on the renewal notice can be renewed online. Some boats and snowmobiles may not be eligible to be renewed online at this time. Delivery of the registration and license plate decals is completed by regular mail and may take up to 10 days for delivery. Registration fees, mailing fees, and a service fee applies to any online renewal transaction.

Other options available through SDcars.org include:

Registration Renewal Reminder:
Through SDcars.org, motor vehicle owners can choose to receive their vehicle registration renewal reminder by regular mail, email notification, or opt to receive no renewal notice at all.

Seller's Permit
A vehicle owner considering selling their vehicle in a private sale can obtain a seller's permit online. This permit allows a buyer to drive during the interval between purchase and registration for a period of 30 days or upon registration whichever comes first.

Report of Sale:
In South Dakota, when a vehicle is sold or transferred, the sale must be reported. A report of sale (ROS) must be completed by the seller and serves as a notification of a sale. While this does not generate any action against the title or registration record, this may protect the seller from liability that may result from moving or operating a vehicle after the date of sale. An ROS between private parties is mandatory and must be filed within 15 days of the date of sale.

VIN Check:
South Dakota is an electronic lien and title state. A vehicle record denoting a lien will no longer be issued a paper title document. The VIN ✔ (VIN check) option at SDcars provides title status, vehicle information such as year, make, branding at time of title issue, and lienholder information. Participating lenders receive lien verification electronically through a third party provider. Lenders that choose not to participate can utilize this search option for lien verification. The search is completed by entering the vehicle's identification number (VIN or serial number).

Check-a-Plate:

Vehicle owners interested in obtaining a personalized plate for their vehicle can check the license plate availability through the "CK A PL8" option in SDcars. Personalized license plates can be placed on any non-commercial registered car, truck, motor home and/or motorcycle. Commercial vehicles like delivery vans or taxis may not carry personalized plates. Personalized plates for motor vehicles except motorcycles must contain no more than seven characters (letters or numbers) and cannot be the single numerical digit one or two. Personalized plate requests for motorcycles may use up to six characters and cannot be the single numerical digit one or two.

All of these options and more are available 24 hours a day, 7 days a week at SDcars.org!

Self-Service Terminals

Another registration renewal option is by utilizing a motor vehicle registration self-service terminal (SST). The 24-hour SST is a fully automated motor vehicle registration renewal station that dispenses license renewal tags on the spot. Vehicle owners from any county can use the terminal with the proper identification. A vehicle owner can navigate through the easy touch screen (voice assistance available) with a valid South Dakota driver's license, South Dakota identification card, or if a company, the information provided on its renewal notice. Once the payment has been submitted and the transaction is completed, the license renewal tags and vehicle registration are dispensed directly from the machine.

Vehicle owners from any county can use a self-service terminal to complete their motor vehicle registration renewal.

The SST allows vehicle owners to register up to 90 days prior and 30 days after the expiration of their current license tags. Registration fees and a service fee are assessed per each transaction. Self-service terminals are currently operating in the following locations: Kessler's in Aberdeen; the County Fair Food Store in Mitchell, the Public Safety Building on Kansas City Street and the Rushmore Mall* in Rapid City, the Department of Revenue Pierre Office* at 445 East Capitol Avenue; the Get-N-Go on Arrowhead Parkway and Dawley Farms and the Hy-Vee Food Store on 49th and Louise in Sioux Falls; and the Hy-Vee Food Stores in Brookings, Watertown and Yankton. Availability of SSTs identified by (*) are subject to business operating hours. All others listed are available 24 hours a day/seven days a week.

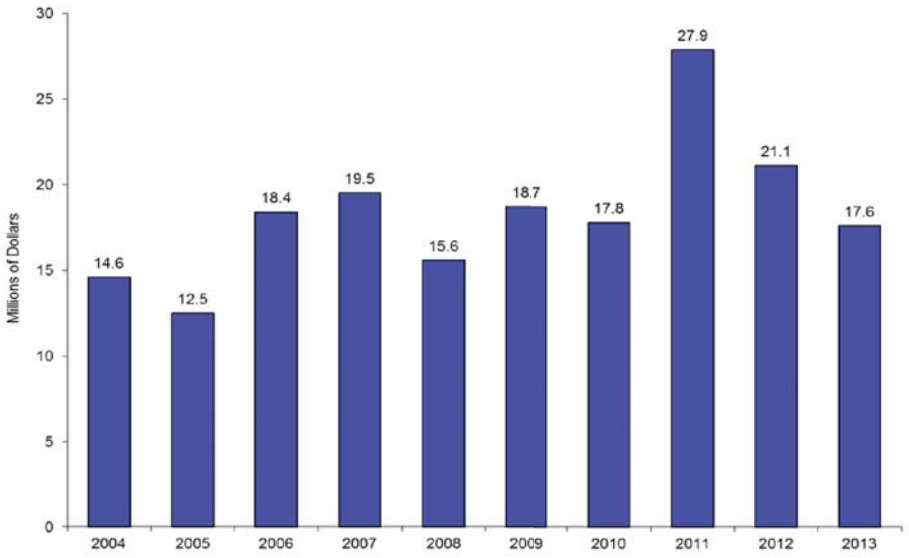
Motor Vehicle Registrations/Titles: FY2010 to FY2013

	FY2010	FY2011	FY2012	FY2013
Vehicle Registrations (County)	1,271,923	1,392,547	1,221,443	1,402,125
Titles	307,881	320,863	332,985	332,035
Vehicle Registration Renewals completed online	42,720	57,216	50,192	67,157
Vehicle Registration Renewals completed by Self Service Terminal (SST)	n/a	531	7,192	29,492

Audits

To ensure that businesses are correctly reporting their taxes, the department regularly performs audits. An audit may be conducted on any business, in-state or out-of-state, large or small, which may have a tax liability to South Dakota. Audits are used to correct errors businesses may make in reporting their taxes. Such corrections meant an additional $17,579,055.83 in assessments (tax, penalty and interest) in fiscal year 2013.

Total Assessments: A Ten-Year Comparison



Helpful information on preparing for an audit is available in the "Audits" Tax Facts. Find this and other Tax Facts in the "Publications" section of the department's website.

Audits and Assessments

	Number of Audits	Assessments
Sales, Use and Contractors' Excise Tax	1,926	$17,509,132.91
Limited Scope Audits	1	12,355.26
Fuel Taxes, Prorate (IRP) and IFTA	272	57,567.66
TOTAL	**2,199**	**$17,579,055.83**

Legal Counsel

The Legal Division is comprised of a chief legal counsel, three full-time attorneys, three full-time special agents dedicated to the Investigative Services Bureau (ISB), and one legal secretary. In addition to providing routine legal counsel to the department, the legal staff worked on 364 new cases during FY2013. The ISB special agents examined 184 individuals and businesses, of which 34 were further investigated for tax and motor vehicle crimes. During FY2013, there were no Supreme Court decisions or Federal Court decisions that affected the Department of Revenue.

Meet Jody Bartels - Policy Analyst

Jody provides advice on tax law and department policy. She is involved in the Streamlined Sales Tax Project, develops tax facts and guides for taxpayers, and provides training for agents, auditors, and supervisors.

Administrative Services

Administrative Services provides support services to the department in the areas of budget and finance and the operation of the Remittance Center by processing printed returns for the department along with providing lockbox services to a number of state agencies and programs. Administrative Services personnel develop and coordinate internal and external training and education opportunities, are responsible for printed and electronic public relation efforts, and assist in the coordination, direction and application of technology promoting efficiencies in the department and to promote the State's eGovernment initiative. The department's Remittance Center in Sioux Falls processed over $760 million in payments in fiscal year 2013. Other agencies for which the Remittance Center collects revenues include Agriculture; Game, Fish and Parks; Social Services; Health; Environment and Natural Resources; Human Services; Unified Judicial System; Legislative Audits; and Retirement.

Fiscal Year 2013 - Remittance Center

Dollars processed for Revenue	***$576,487,966***
Dollars processed for other agencies	***183,603,871***
Total dollars processed	***$760,091,841***
Total documents processed	***466,203***

South Dakota Lottery

The South Dakota Lottery markets instant tickets and lotto games, and regulates video lottery to raise revenue for state programs and projects. Since its inception in 1987, the Lottery has distributed over $2.25 billion in revenue.

The Lottery operates under the oversight of the South Dakota Lottery Commission, whose seven members meet quarterly to establish policy within the framework set by the legislature through law. The commission also reviews and approves major contracts and procurements, and consults on management and operation of all aspects of the Lottery. The Lottery has 30 employees, including administration, accounting, security, sales and marketing, and support staff. Its central office is in Pierre with regional sales and redemption offices in Sioux Falls and Rapid City, and a sales representative's office in Aberdeen.

Sales and Revenue

Total fiscal year 2013 Lottery revenue distributed to state funds was more than $107.7 million. These revenues come from three main sources, as evidenced in the chart below.

FY2013 Lottery Sales and Revenue*

	Sales	Prizes	Commission	Revenue Distributed
Instant Tickets	$ 25,298,065	$ 16,213,494	$ 1,421,847	$ 5,621,600
Lotto Tickets	32,048,317	16,205,052	1,709,358	10,387,780
Video Lottery**	580,092,145	395,451,581	92,320,282	91,693,935
			Total:	**$107,703,315**

*Unaudited

**Video lottery sales are cash in; prizes are cash out; private share of net machine income is retailer commission.

Meet Kelly Thompson
- Director of Advertising & Public Relations

"During my 16 years with the Department of Revenue, the agency has grown technologically but still maintained the personal interaction essential for providing good customer service. In my position as Director of Advertising and PR with Lottery, it's that "people" connection -- whether it be with winners, retailers, etc. -- that makes the job important to me."

Instant Tickets

The Lottery launched 28 new instant ticket games during fiscal year 2013. Prices for instant tickets ranged from $1 to $20, and prizes ranged from $1 to $350,000 as well as merchandise prizes.

At the close of fiscal year 2013, there were 605 licensed instant ticket retailers across the state. Retailers receive a 5% commission for selling tickets, a 1% commission for cashing winning tickets with prizes up to $100, and 1% for selling tickets with prizes of more than $100.

Fiscal year 2013 instant ticket sales were up 2.1% from the previous year and revenues were down 14.8%. Revenue from the sale of instant tickets is distributed to the General Fund.

Lotto Tickets

South Dakota currently offers five lotto games. Powerball, Mega Millions, Wild Card 2, and Hot Lotto are multi-state games. Dakota Cash is played only in South Dakota.

At the end of fiscal year 2013, there were 593 licensed lotto retailers.[1] Lotto retailers also receive a 5% commission for selling tickets, plus varying bonuses for selling larger winning tickets.

Lotto games reported an overall sales increase of 13%; transfers were up 11.6% from fiscal year 2012. The first $1.4 million of revenue from the sale of lotto tickets is distributed to the General Fund, and the balance is distributed to the Capital Construction Fund.

Video Lottery

The Lottery regulates and controls video lottery game activities through licensing procedures for the machines, machine owners and operators, and establishments, as well as a comprehensive secure central computer system.

Video lottery sales (cash in) increased by 5.5% in fiscal year 2013. The average number of active video lottery machines during fiscal year 2013 was 9,133 and the average number of licensed establishments was 1,426. The revenue from video lottery is calculated on net machine income, which is cash-in (sales) minus cash-out (prizes). Net machine income is divided between the state and machine operators on a 50/50 split. One-half of one percent (0.5%) of the state's share is retained by the Lottery for administration.

Revenue from video lottery net machine income is distributed to the Property Tax Reduction Fund. A portion of machine manufacturer license fees is distributed to the General Fund.

FY2013 Lottery Revenue Distribution

	General Fund	Capital Construction Fund	Property Tax Reduction Fund	Dept. of Human Services**
Instant Tickets*	$5,621,600			
Lotto Tickets*	1,400,000	$8,987,780		
Video Lottery**	135,000		$91,397,079	$161,856
Totals:	**$7,156,600**	**$8,987,780**	**$91,397,079**	**$161,856**

*Unaudited

**The Lottery annually provides the S.D. Department of Human Services with funding for problem gambling treatment services. Funding comes from the Lottery's 0.5% of net machine income for administration.

The Lottery's website, lottery.sd.gov, offers winning numbers, prize claim forms, retailer forms, licensing and accounting information, recent winners' stories and other general information about the Lottery. The Lottery also maintains a Facebook page (facebook.com/sdlottery), a Twitter feed (@sdlottery), and its own YouTube channel.

The Lottery also publishes an annual financial report, as required by law, which includes a full and complete statement of the lottery's financial position and operations. The annual financial report is published after completion of an independent audit, and is available from the Lottery.

[1] All lotto retailers are also instant ticket retailers, and were included in the total number of licensed instant retailers.

Commission on Gaming

The South Dakota Commission on Gaming is responsible for regulating the gaming industry in the City of Deadwood, administering Indian gaming compacts, and pari-mutuel wagering.

The Commission on Gaming maintains two office locations (in Pierre and Deadwood) and employs approximately 16 individuals, including investigators, auditors, accountants, administrative assistants, inspectors, and an executive secretary. The Commission itself is comprised of five commissioners.

The Commission may issue six types of Deadwood gaming licenses (slot machine manufacturer or distributor; operator; route operator; retail, key employee, and support), tribal gaming licenses, and four types of live racing and simulcast licenses (simulcast provider, simulcast site, simulcast pari-mutuel, and multiple category live racing). The commission is supported by the commission fund which is comprised of revenues from annual device fees, licensing fees, other miscellaneous revenue and the gaming tax collected from Deadwood. The tax rate is defined by SDCL 42-7B-28 and 42-7B-28.1 and total 9% of the adjusted gross revenue. SDCL 42-7B-28.1, 42-7B-48, 42-7B-48.1, and 42-7B-48.3 establish the distribution structure of the taxes collected. Per 42-7B-28.1, 1% of the adjusted gross revenue goes directly to the State General Fund. According to 42-7B-48, 40% of the tax is transferred to the Department of Tourism, 10% is paid to Lawrence County, and the remaining 50% stays in the commission fund.

In fiscal year 2013, total gaming action was $1,150,628,289 up 0.66% from the previous year. At the close of the fiscal year, there were 3,644 licensed gaming devices, 149 retail locations, and approximately 1,445 licensed gaming employees.

FY2013 Recap of Commission Fund

Revenues		
FY13 Device Tax	$7,228,000.00	
Gross Revenue Tax	9,305,309.01	
City Slot Tax	257,647.70	
Application Fees	69,600.00	
License Fees	130,000.00	
Interest	45,806.84	
Device Testing Fees	30,443.71	
Penalties on Disciplinary Action	6,050.00	
Fund Total		**$17,132,857.26**
Distributions		
Administrative Expenses	$1,083,533.95	
Expenses reimbursed by Applicants/Licensees	199,600.00	
Capital Equipment	81,284.24	
Lawrence County (Per 42-7B-48)	824,312.61	
Other Municipalities (Per 42-7B-48.1)	369,612.17	
School Districts (Per 42-7B-48.1)	369,612.17	
SD Tourism (Per 42-7B-48)	3,297,250.45	
State General Fund (Per 42-7B-48.1)	2,587,285.16	
State General Fund (Per 42-7B-28.1)	1,030,390.75	
State Historical Preservation (Per 42-7B-48)	100,000.00	
Department of Human Services (per 42-7B-48.3)	19,992.04	
City of Deadwood (Per 42-7B-48, 48.1)	7,134,264.71	
Total Distributions from Fund:		**$17,097,138.25**

FY2013 Recap of Racing Funds

	Special Fund	Revolving Fund	Bred Fund	Totals
Beginning Cash Balance (07/01/2012)	$8,742	$337,912	$72,700	$419,354
Revenues:				
Horse Revenue	47,766	221,336	92,036	361,138
Greyhound Revenue	18,113	70,999	31,334	120,445
Interest	0	10,397	3,077	13,473
Transfer from Agency Fund	(117,991)	97,070	20,921	0
License & Fines - Horse	51,210			51,210
License & Fines - Dog	3,660			3,660
Total Revenues:	**$11,500**	**$737,713**	**$220,068**	**$969,281**
Distributions:				
Aberdeen Horse Racing Track				
SD Bred Point Money			40,500	40,500
Purse Supplements, Racing Operations and Advertising & Promotion		238,000		238,000
Jockey Bonus		5,500		5,500
SD Bred Stakes Money			22,000	22,000
Ft Pierre Horse Racing Track				
SD Bred Point Money			41,700	41,700
Purse Supplements, Racing Operations and Advertising & Promotion		238,000		238,000
Jockey Bonus		4,000		4,000
SD Bred Stakes Money			20,800	20,800
Total Track Disbursements:	**$ -**	**$485,500**	**$125,000**	**$610,500**
Ending Cash Balance (6/30/13)	**$11,500**	**$252,213**	**$95,068**	**$358,781**

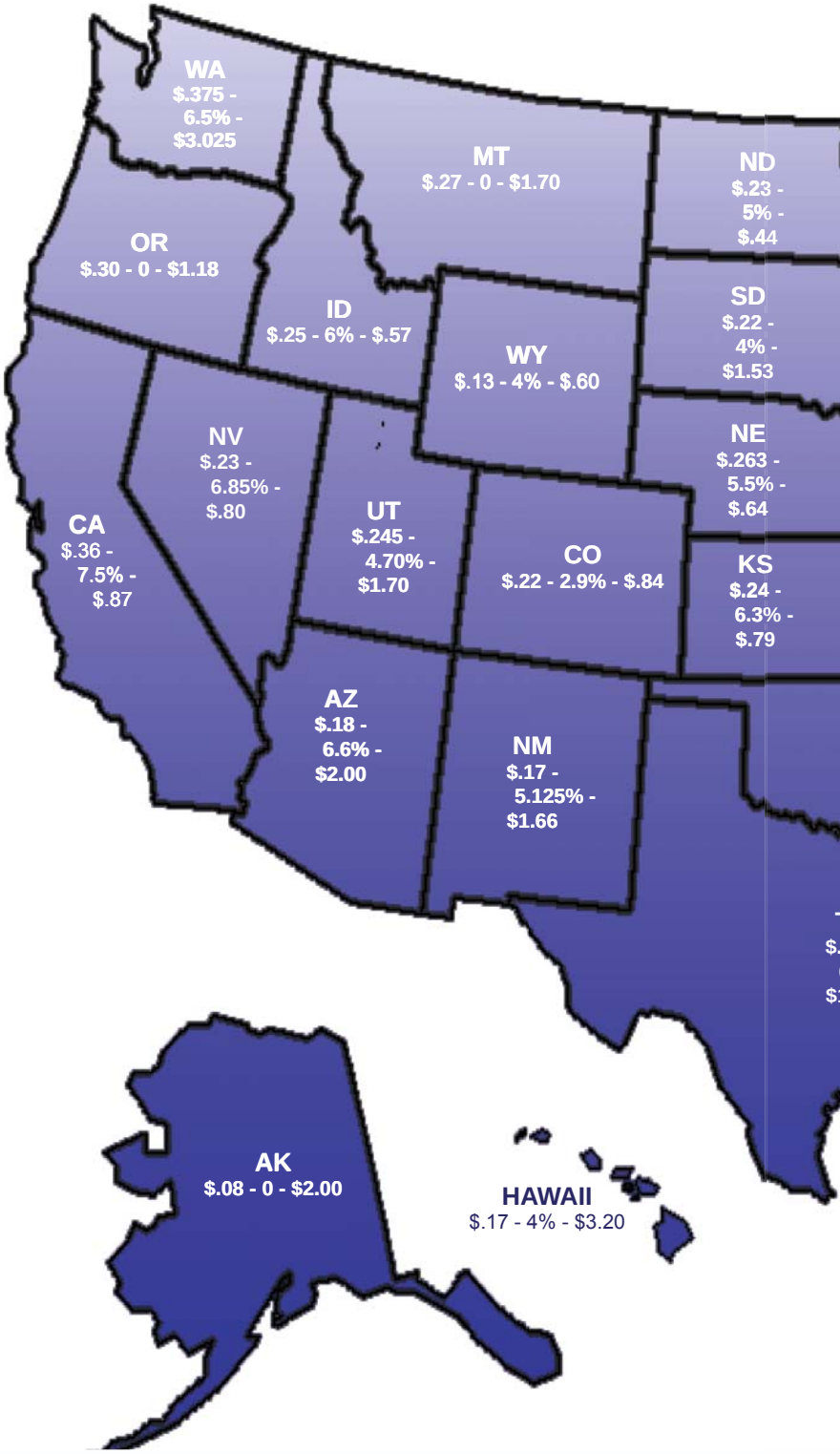
Commission meeting announcements, industry statistics, annual horse racing schedules and other gaming information are available in the “Gaming” section on the department’s website.

50 State Comparison

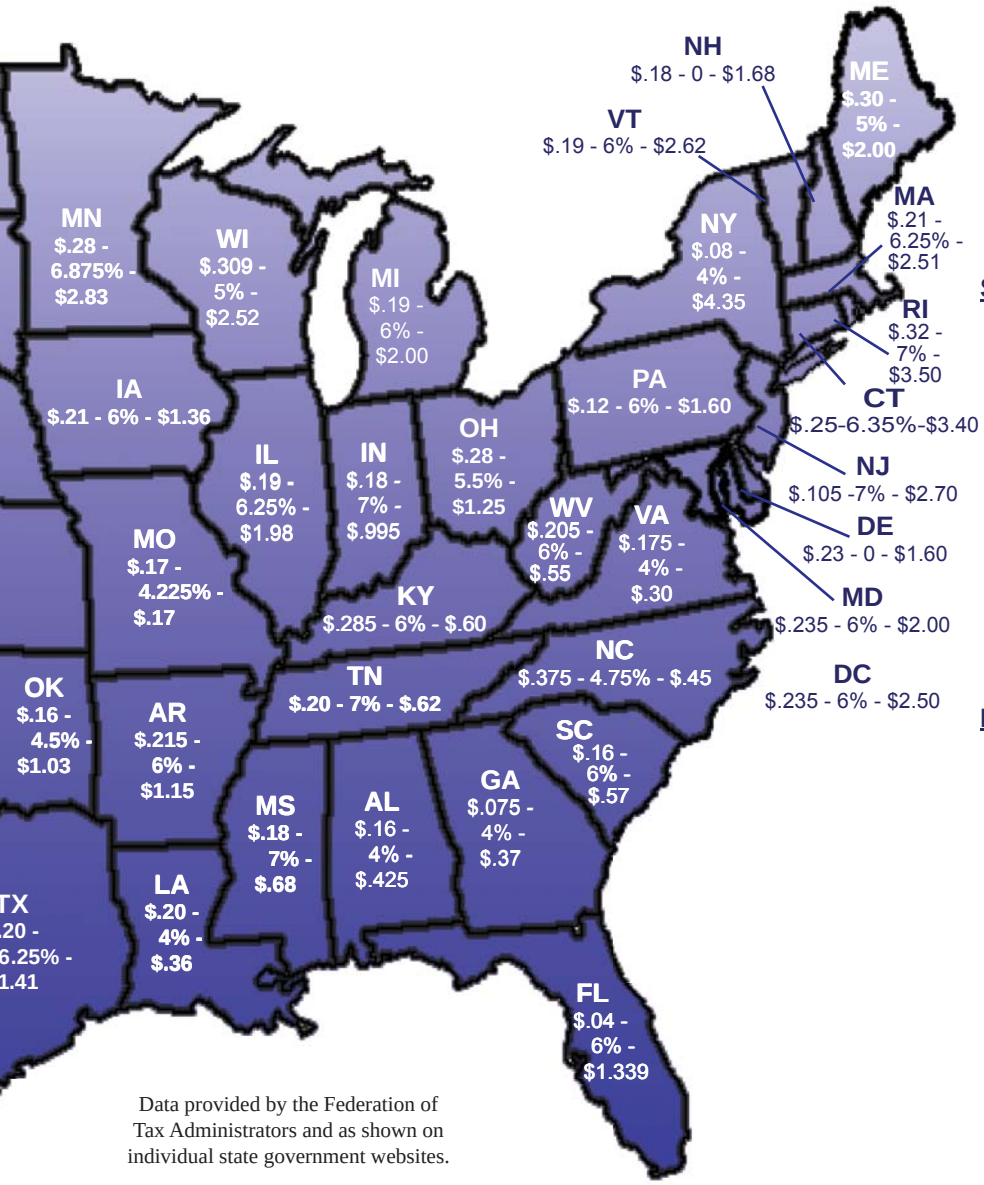
At just $1,826, South Dakota had the sixth lowest per capita state tax burden in 2012, according to the latest figures available from the U.S. Bureau of the Census and Bureau of Economic Analysis.* The following is the listing of per capita state tax burdens for all 50 states, beginning with the highest.

Alaska	$9,638
North Dakota	8,033
Wyoming	4,426
Vermont	4,405
Connecticut	4,295
Hawaii	3,962
Minnesota	3,822
Delaware	3,664
New York	3,656
Massachusetts	3,431
New Jersey	3,097
California	2,954
Maryland	2,900
West Virginia	2,887
Maine	2,842
Illinois	2,830
Arkansas	2,810
Rhode Island	2,671
Pennsylvania	2,582
Wisconsin	2,575
Kansas	2,571
Washington	2,555
Iowa	2,548
Nevada	2,456
Montana	2,447
New Mexico	2,440
Michigan	2,425
Indiana	2,402
Kentucky	2,391
Nebraska	2,349
Mississippi	2,329
North Carolina	2,329
Oklahoma	2,314
Ohio	2,246
Oregon	2,231
Virginia	2,216
Idaho	2,115
Utah	2,035
Arizona	1,980
Colorado	1,976
Louisiana	1,954
Alabama	1,877
Texas	1,865
Tennessee	1,856
South Dakota	**1,826**
Missouri	1,794
Florida	1,708
South Carolina	1,701
Georgia	1,671
New Hampshire	1,671

* www.taxadmin.org/fta/rate/12taxbur.html



The three figures in each state are, left to right or top to bottom, the gasoline tax per gallon, the sales tax rate, and the cigarette tax per package. Local tax rates are not included unless mandatory. “0” indicates the tax is not levied.



Data provided by the Federation of Tax Administrators and as shown on individual state government websites.

Five Highest Gasoline Tax Rates

Washington	$.375
North Carolina	$.375
California	$.36
Rhode Island	$.32
Wisconsin	$.309

Seven Highest Sales Tax Rates

California	7.5%
Indiana	7%
Mississippi	7%
New Jersey	7%
Rhode Island	7%
Tennessee	7%
Minnesota	6.875%

Nine Highest Cigarette Tax Rates

New York	$4.35
Rhode Island	$3.50
Connecticut	$3.40
Hawaii	$3.20
Washington	$3.025
Minnesota	$2.83
New Jersey	$2.70
Vermont	$2.62
Wisconsin	$2.52

	Gas Tax (cts. per gallon)	Sales Tax (%)	Cigarette Tax (per package)
South Dakota	**22**	**4**	**1.53**
Iowa	21	6	1.36
Minnesota	28	6.875	2.83
Montana	27	0	1.70
Nebraska	26.3	5.5	0.64
North Dakota	23	5	0.44
Wyoming	13	4	0.60

Department Resources

Main Offices

Revenue - Pierre Office* - Anderson Building, 445 East Capitol Avenue, Pierre, SD 57501, ph. 605.773.3311 (main phone)

(*includes Administrative Services, Audits, Business Tax, Legal, Motor Vehicles, Office of the Secretary, and Property and Special Taxes)

S.D. Lottery - 711 East Wells Avenue, P.O. Box 7107, Pierre, SD 57501, ph. 605.773.5770
S.D. Commission on Gaming - 221 West Capitol Avenue, Suite 101, Pierre, SD 57501, ph. 605.773.6050

Field Offices

Aberdeen Revenue Office - 419 Moccasin Drive, Aberdeen, SD 57401, ph. 605.626.2218
Deadwood Gaming Office - 87 Sherman Street, Deadwood, SD 57732, ph. 605.578.3074
Mitchell Revenue Office - 417 North Main, Suite 112, Mitchell, SD 57301, ph. 605.995.8080
Rapid City Revenue Office - 1520 Haines Avenue, Suite 3, Rapid City, SD 57701, ph. 605.394.2332
Rapid City Lottery Office - 1000 Cambell Street, Suite 2, Rapid City, SD 57701, ph. 605.394.5106
Sioux Falls Revenue Office - 300 South Sycamore Avenue, Suite 102, Sioux Falls, SD 57110, ph. 605.367.5800
Sioux Falls Lottery Office - 3824 South Western Avenue, Sioux Falls, SD 57105, ph. 605.367.5840
Watertown Revenue Office - 715 South Maple, Watertown, SD 57201, ph. 605.882.5188
Yankton Revenue Office - 1900 Summit Street, Yankton, SD 57078, ph. 605.668.2939

Toll-Free Phone Center

Department of Revenue staff are on hand to offer answers to your tax questions Monday through Friday from 8:00am to 5:00pm CST. Just call 1-800-TAX (829)-9188.

Department Website

Visit us on the Internet at http://dor.sd.gov. Access any of our divisions through our Department of Revenue home page.

Social Media

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Check out our videos on YouTube at http://www.youtube.com/user/southdakotador.

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Unless otherwise indicated, photos included in this booklet are courtesy of Kelsey Baker, Marketing and Communications Specialist.

State (SDCL 20-13) and federal (Title VI of the Civil Rights Act of 1964, the Rehabilitation ace of 1973 as amended, and the Americans with Disabilities Act of 1990) laws require that the Department of Revenue provides services to all persons without regard to race, color, creed, religion, sex, disability, ancestry, or national origin.

The *South Dakota Department of Revenue 2013 Annual Report* is written and designed to make information accessible to the general reader. Two hundred fifty copies of this document were printed at a cost of $11 per document.

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