



Winter 2024

**SOUTH DAKOTA
DEPARTMENT OF REVENUE
NEWSLETTER**



Message From Secretary Mike Houdyshell

Greetings from the South Dakota Department of Revenue!

As we begin 2024, the Department of Revenue is excited to look back on the last fiscal year. Page 3 features our fiscal year 2023 annual reports that are packed full of information recapping a successful year of providing fair, efficient, and reliable revenue administration with our partners to help fund public service statewide.

On page 2, you can find information on upcoming tax seminars offered by the department as well as the changes in municipal taxes.

March is Problem Gambling Awareness Month. The South Dakota Lottery reminds players to play responsibly, also on page 2.

You may have noticed the new license plates hitting the roads in 2023. This year's plate reissue includes two different plate types. We have information about these plates on page 4. Plates are provided when a new vehicle or unit is titled or reissued when renewing during the annual vehicle registration. All vehicle owners have a number of options to renewing their

vehicle registrations, including stopping by one of our twenty-one kiosks across the state.

While we have not reached the conclusion of the 2024 legislative session, HB 1090, which affects tax deeds, was signed by Governor Noem. This bill included an emergency clause which makes the law change effective the date it was signed. Read more on page 4.

Property tax basics are included on page 5. Learn about market value, assessed value, and how values change from year to year. Get answers on how your assessed value affects a property's tax rate and taxes.

There are some tax related deadlines you may need to know. Sales tax and property tax relief programs are available to South Dakota residents who qualify. Property owners should check out page 6 for information on the owner-occupied status. There is also information about the property tax assessment freeze program, including links to additional qualification requirements and the program's form.

Don't hesitate to contact our dedicated team with any questions. We hope you enjoy this winter edition of our newsletter.

Free Tax Seminars!

All of our seminars are free of charge, and they cover topics such as exemptions, licensing, filing, and more! You may also request one of our tax experts to present at your event! [To learn more about our tax seminars or to sign up, click here.](#)



Basic Sales Tax Seminar - ONLINE

1:30 PM – 4:30 PM | Tuesday, March 05, 2024



Basic Contractor's Excise Tax Seminar - ONLINE

1:30 PM – 4:30 PM | Thursday, March 07, 2024



Basic Sales Tax Seminar - ONLINE

1:30 PM – 4:30 PM | Tuesday, June 04, 2024



Basic Contractor's Excise Tax Seminar - ONLINE

1:30 PM – 4:30 PM | Thursday, June 06, 2024

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CONTACT US

SD Department of Revenue

445 E Capitol Avenue, Pierre, SD 57501

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

Phone: 605-773-3311

Taxpayer Assistance Center: 1-800-829-9188

Motor Vehicles: 605-773-3541

SD Lottery: 605-773-5770

Gaming Commission: 605-773-6050



Municipal taxes changes in three South Dakota Communities

Beginning January 1, 2024, the communities of Aurora, Hecla, and Lake City increased the 1 percent general sales and use tax rate to 2 percent.

South Dakota municipalities are able to implement new tax rates or change existing tax rates on January 1 or July 1 each year, according to South Dakota Codified Law 10-52-9.

The South Dakota Department of Revenue has municipal tax information bulletins available, which list all municipal sales and use tax rates statewide, along with information on tribal sales, use and excise taxes.

Updated bulletins are free of charge and available January 1. To obtain a municipal tax information bulletin, download it on the Department of Revenue website at <https://dor.sd.gov/businesses/taxes/municipal-tax/#taxpdfs> or contact the Department of Revenue at 1-800-829-9188.

SD Lottery Reminds Players to Play Responsibly

March is Problem Gambling Awareness Month, which makes it the perfect time to remind our players and retailer partners to Keep the Fun Good and please play responsibly.

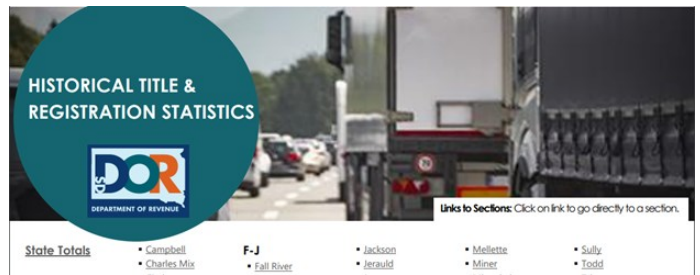
If you think you, or someone you know, has a problem with gambling, don't ignore it.

Problem Gambling Warning signs:

- Preoccupied with gambling and unable to stop
- Bragging about gambling, exaggerating wins and minimizing losses
- Restless and irritable when not gambling
- Gambling to win back what's been lost.
- Borrowing money for gambling
- Lying to hide time spent gambling or unpaid debts
- Frequent unexplained absences
- Losing work time because of gambling
- Jeopardizing a significant relationship or job by gambling

If you or someone you know has a gambling problem, help and treatment are available. Call the Problem Gambling Helpline at 1-888-781-HELP. Your call is always confidential. The Lottery also has responsible gambling resources on its website at <https://lottery.sd.gov/responsible-play/>.

Check out the DOR FY2023 Annual Reports



Historical Title & Registration Statistics Available Online

Did you know that each year the Motor Vehicle Division provides historical title and registration statistics?

The data includes a breakdown of vehicle registrations by vehicle type and includes the number of electric vehicles registered in South Dakota.

The data is available by county and statewide totals. [Click here to see the 2023 Report.](#)



Department of Revenue Annual Reports

Every year, the Department of Revenue collects information from each of our six divisions and beyond to accurately and openly display how the fiscal year turned out.

This report touches on topics anywhere from remote sellers in the marketplace, how South Dakota tax compares to other states, year over year revenue numbers, educational opportunities, both for public and employee use, and much more!

[Click here to see the 2023 Report.](#)

Motor Vehicle Registration Dates

Vehicle registration renewal due dates are based on the first letter of your last name which then correlates to a particular month.

February – C/D/E

March – F/G/J

**April, October, and December are non-renewal months*

Follow us for updates and reminders!



Tax Increment Financing (TIF) Annual Report Also Available!

[Click here to see the 2023 Report.](#)

Due Dates

Tax Return	Due Date
January	02/20/2024
February	03/20/2024
March	04/22/2024
April	05/20/2024



New License Plates Hitting the Road in 2024

Starting January 1, 2024, the State of South Dakota began issuing new plate designs for two types of plates with the titling of motor vehicles and registration renewals. The reissue will include standard commercial and trailer plates.

Individuals are able to renew their license plates 90 days before their expiration date.

Renewals can be completed online through the [MySDCars](#) portal, at any of the 21 DMV Now Kiosks, in person at the applicant's county treasurer's office, or by mail through the county. DMV Now Kiosks are located across the state. You can find a convenient location at <https://sddmwnowkiosk.com/>.

Individuals who use the online system or a kiosk will have their license plates mailed directly to them. They will also receive a 45 day plate ordered permit to keep in the vehicle until the new plates arrive.

Below are examples of the two plates currently being reissued:



Trailer Plate



Standard Commercial Plate



HB1090 Signed by Governor

In May 2023, the U.S. Supreme Court held that it is unconstitutional for the government to retain any proceeds of a tax deed sale in excess of the taxes, interest, penalties, and costs associated with the property (*Tyler v. Hennepin Co.*, 598 U.S. 631 2023). The Court ruled that the excess proceeds must be returned to the prior owner of the property.

As South Dakota's tax deed system was somewhat similar to the system at issue in *Tyler v. Hennepin Co.*, changes to the process were needed to bring the process into compliance. Important highlights of the changes in law due to HB 1090 are:

1. any county or any person who acquires a tax deed is now required to sell the property at public auction within one year after the tax deed is issued;
2. any excess proceeds from a tax deed sale are returned to the prior owner of the property;
3. the prior owner is required to receive notice regarding any excess proceeds; and
4. if the excess proceeds are not claimed within 180 days, the proceeds become unclaimed property.

Because the bill included an emergency clause, it became effective when the Governor signed it.

Back to the Basics: Property Tax

What is Market Value?

For residential and commercial properties, the market value of your property is the price most people would pay for it in its present condition. The assessor must estimate the market value of every property in your taxing jurisdiction, no matter how big or small. Each year, the assessor reviews your property for changes and then revalues the property depending on current market conditions. To estimate the market value of any nonagricultural property, the assessor must first know what similar properties are selling for, what it would cost to replace it, how much it takes to operate and keep it in repair, what rent it may earn, and many other financial considerations affecting its value, such as the current rate of interest charged for borrowing money to buy or build properties like yours.

For agricultural properties, the market value is the agricultural income value as determined by the Productivity Formula. For more information, please see the [Ag Land Productivity Tax Fact](#).

Why Do Assessed Values and Market Values Change From Year to Year?

As market values change, generally so do assessed values. Market values change because the property has changed or because market conditions have changed. For example, if you were to add a garage to your home, the market value and the assessed value may increase. If you add new siding, the market value and the assessed value of your home also may increase. However, if your property is in poor repair, the market value and assessed value may decrease over time.

In many areas, market conditions have led to increases in market values and assessed values without any changes to the property. In estimating the value of your property, the assessor reflects the conditions that are occurring in the marketplace.

South Dakota does not impose state or corporate income taxes.

For questions regarding your federal tax return or W-2s, individuals can contact the Internal Revenue Service (IRS) at (800) 829-1040 and business should call (800) 829-4933, or visit their website at <https://www.irs.gov/>.

How Does My Assessed Value Affect My Tax Rate and My Taxes?

The assessor's office does not determine the total amount of taxes collected in your community, the tax rate, or your taxes. The assessor's primary responsibility is to find the fair market value of your property, so that you pay only your fair share of taxes.

The amount of tax you pay is determined by multiplying your TAX RATE by your property's TAXABLE VALUE. Your tax rate is determined by the tax requests submitted by all your taxing authorities—city or county, school districts, and others. These taxing districts determine how much tax is needed to provide all the services you enjoy. The county auditor then calculates the tax rate needed to spread the burden fairly and equitably amongst all property within the district.

What Can I Do About My Assessed Value and My Property Taxes?

If you believe the assessor has overestimated or underestimated the value of your property, you should contact the assessor's office and discuss the matter. Many offices have formal and informal procedures to appeal the assessed value on your property. Staff can answer your questions about how the office estimated the value of your property and explain how to appeal your assessed value. Many assessors encourage property owners to contact the assessor's office because the assessor's office relies on property owners for information. You can help by providing accurate information!

For more information about property taxes, please visit the [Property Tax 101 Tax Fact](#).

Audit Tip: Undue Enrichment

Undue enrichment is a common issue found on audits. If you happen to over-collect your sales tax, you either need to refund it to your customer, or you should remit it on your tax return.

Property Tax Assessment Freeze Program

During the 2022 Legislative session, the legislative body recognized and acted upon the need to stabilize property taxes for elderly and disabled homeowners in South Dakota.

On July 1, 2022, state law allowed for an increase in the eligibility guidelines for the assessment freeze program. Many elderly and disabled South Dakotans live on fixed incomes and may have difficulty meeting their property tax obligations. New guidelines opened the door for more citizens to become eligible to receive the assessment freeze.

The freeze on assessments program prevents the homeowner's property from increasing in value, for tax purposes. Under this program, as the value of the home increases, the homeowner will pay tax on the former (lower) assessed value. Property is defined as the house, garage, and the lot upon which it sits, or one acre, whichever is less.

Eligible individuals must meet the income limits to qualify for the program. For more information regarding the program and a full list of qualifications, check out our [Freeze on Assessments: Dwelling of Disable and Senior Citizens brochure](#).

As a reminder, applications must be submitted annually to the county treasurer in which the property is located in, on or before April 1st.

Applications are available January of each year at the county courthouse or from the Department's website at <https://sddor.seamlessdocs.com/f/pt38>.



Property Tax Relief Deadline for Owner-Occupied Status Approaching

Homeowners and contractors have until March 15 to apply for property tax relief through the owner-occupied program.

DOR advises property owners to check their county tax notices to ensure their property is classified as owner-occupied.

Qualifying taxpayers who have purchased or built a home may apply through their local county director of equalization or submit electronically for this classification using DOR's form at <https://sddor.seamlessdocs.com/f/3001>.

Contractors may qualify for up to four single-family dwellings. If you are a contractor, please complete the form located at <https://sddor.seamlessdocs.com/f/3002>.

Those with have questions are encouraged to contact their local county director of equalization or call the Department of Revenue's Property Tax Division at 605-773-3311.

Check out the [605Drive webpage!](#)

What is the 605Drive Project?

The Department of Revenue is modernizing its title, vehicle registration, and dealer system.

The Motor Vehicle Division oversees about 1.6 million registered vehicles (including boats, snowmobiles and off-road vehicles) in South Dakota and regulates nearly 1,400 licensed motor vehicle dealers.

This new system will transform the way the Department of Revenue's Motor Vehicle Division issues titles, renews registrations, and works with its stakeholders

Why is the 605Drive Project needed?

The current system, SDCars, experiences some functional deficiencies. The Department has discussed the need to modernize the system for many years. The dated nature of the current system presents the agency with limited support and minimal staff who are knowledgeable about maintaining the system.

