



<https://dor.sd.gov/> 1-800-829-9188

# Tribal

September 2019

*The purpose of this Tax Fact is to provide general guidelines on how tax applies to the sale of products and services, and to construction work, within Indian country in South Dakota. It is not intended to answer all questions that may arise. The information contained in this fact sheet is current as of the date of publication.*

## Sales to Tribal Governments

According to state law ([SDCL 10-45-10](#)), the sale of products and services to Tribal governments are exempt from sales tax and use tax.

- Tribal governments may provide an [exemption certificate](#) to the business.
- The business must keep documentation on file to support the exempt transaction. The following are considered acceptable documentation:
  - ⇒ Exemption certificate
  - ⇒ Purchase order
  - ⇒ Copy of check showing transaction paid from Tribal government funds

For a full list of exempt entities, please see the [Exempt Entities Tax Fact](#)

### Example:

*An employee of the Rosebud Sioux Tribe purchases chairs in Sioux Falls to use at the tribal headquarters in Rosebud, SD. The employee pays for the chairs with a tribal check. Is this transaction taxable?*

- The transaction is exempt from sales tax because payment was made directly from tribal funds. The retailer needs to keep either a copy of the check or have an exemption certificate on file to support the exempt transaction.
- If the employee pays for the chairs with his or her own money and is later reimbursed by the Tribe, the transaction between the business in Sioux Falls and the employee is taxable because payment was not made by an exempt entity.

## Tax Collection Agreements

Currently, five Indian tribes in South Dakota have comprehensive tax collection agreements with the State that include, but are not limited to, sales, use, tourism, and contractor's excise taxes. The five Indian tribes with comprehensive tax collection agreements are Cheyenne River Sioux Tribe, Crow Creek Sioux Tribe, Oglala Sioux Tribe, Rosebud Sioux Tribe, and Standing Rock Sioux Tribe. Two Indian tribes have limited tax collection agreements that include, but are not limited to, use tax and contractor's excise tax. The two Indian tribes with limited tax collection agreements are the Sisseton Wahpeton Oyate and the Yankton Sioux Tribe.

The tax collection agreements ensure that all retail transactions or construction services on property included in a tax collection agreement are subject to the same taxes, tax rates, and exemptions as set forth in the agreement.

- All businesses, including those owned by tribal members, are responsible for remitting tax.

Indian country that is part of a tax collection agreement is considered a Special Jurisdiction. All tax due in each Special Jurisdiction is reported on the state tax return using the code assigned to that Special Jurisdiction. The tax remitted is then distributed between the State and Tribal governments based on the tax collection agreements.

## Indian Country Definition

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State law adheres to the federal definition of “Indian country” which, under 18 U.S.C. § 1151, is the following:

Except as otherwise provided in section 1154 and 1156 of this title, the term “Indian country”, as used in this chapter, means

- (a) all land within the limits of any Indian reservation under the jurisdiction of the United States Government, notwithstanding the issuance of any patent, and, including rights-of-way running through the reservation,
- (b) all dependent Indian communities within the borders of the United States whether within the original or subsequently acquired territory thereof, and whether within or without the limits of a state, and
- (c) all Indian allotments, the Indian titles to which have not been extinguished, including rights-of-way running through the same.

Questions about whether a business or customer is located within Indian country should be referred to the Department of Revenue at 1-800-829-9188 (Business Tax).

## Comprehensive Tax Collection Agreement

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The five Indian tribes with comprehensive tax collection agreements are Cheyenne River Sioux Tribe, Crow Creek Sioux Tribe, Oglala Sioux Tribe, Rosebud Sioux Tribe, and Standing Rock Sioux Tribe.

The Special Jurisdiction areas for the five comprehensive tax collection agreements are as follows:

- **Cheyenne River Special Jurisdiction:** the Cheyenne River Indian Reservation, which is Dewey and Ziebach Counties, excluding a 500 foot strip of land in the northern-most portions of Dewey and Ziebach Counties.
- **Crow Creek Special Jurisdiction:** the Crow Creek Indian Reservation, which includes portions of Hughes, Hyde, and Buffalo Counties.
- **Oglala Special Jurisdiction:** the Pine Ridge Indian Reservation, which is Oglala Lakota County, and that portion of Jackson County south of the White River. This Special Jurisdiction also includes the Allen Store in Allen, SD, and the East Wind Casino, which is located on the east edge of Martin, SD.
- **Rosebud Special Jurisdiction:** the Rosebud Indian Reservation, which is Todd County. This Special Jurisdiction also includes certain Indian country defined by 18 U.S.C. § 1151 (b) and (c) in Mellette, Tripp, and portions of Gregory and Lyman Counties controlled by the Rosebud Sioux Tribe.
- **Standing Rock Special Jurisdiction:** the Standing Rock Indian Reservation, which is Corson County and a 500 foot strip of land in the northern-most portions of Dewey and Ziebach Counties.

All five of these agreements include sales, use, contractor’s excise, and tourism tax.

To determine if your business is subject to tourism tax, review the [Tourism Tax Fact](#) or call 1-800-829-9188.

## Sales Tax and Use Tax

Sales tax is assessed on products and services at the time of purchase, lease, or rental. Use tax is due on purchases if no sales tax has been applied.

- Products or services purchased or delivered within the Special Jurisdictions are subject to sales tax or use tax.
  - State and tribal sales and use taxes are reported under the appropriate Special Jurisdiction codes on the state sales tax return.
- \* Do NOT remit additional state tax on these transactions.

### Examples:

1. *ABC Furniture in Rapid City delivers a bedroom set to an individual living on the Pine Ridge Indian Reservation. What tax is due?*
  - The entire invoice including the delivery charge is subject to sales tax. The tax is reported using the Oglala Special Jurisdiction sales/use tax code because the product was delivered to an area that is part of the Oglala Special Jurisdiction, the Pine Ridge Indian Reservation.
2. *An enrolled member of the Cheyenne River Sioux Tribe drives to Pierre, SD, buys a television, and takes it back to Eagle Butte. What tax is due?*
  - Because the possession of the product takes place in Pierre, the transaction is subject to the state sales tax and Pierre municipal sales tax. The tax is not reported under the Special Jurisdiction codes because the product was not delivered within Indian country.

## Contractor's Excise Tax

### Examples:

1. *The Standing Rock Sioux Tribe is constructing tribal housing in McLaughlin. The Tribe purchases all building materials from the local on-reservation lumberyard and supplies them to the contractors. What tax is due?*
  - The prime contractor for the construction project owes the use tax and McLaughlin municipal use tax on the materials because the Tribe purchased the materials exempt from sales tax. The use tax is reported using the Standing Rock Special Jurisdiction sales/use tax code.
  - The prime contractor also owes contractor's excise tax on its gross receipts for this project. Gross receipts include the materials furnished by the owner and use tax on the owner furnished materials. This tax is reported using the Standing Rock Special Jurisdiction excise tax code.
2. *A contractor buys material from an unlicensed out-of-state supplier. The material is delivered to the contractor in McLaughlin, SD, on the Standing Rock Indian Reservation. What tax is due?*
  - The contractor owes use tax and McLaughlin municipal use tax. The use tax is reported using the Standing Rock Special Jurisdiction sales/use tax code because the material was received within the Special Jurisdiction of the Standing Rock Sioux Tribe.

Contractor's Excise Tax is applied to the gross receipts of contractors providing construction services or realty improvements.

- This tax applies to Indian and non-Indian contractors on all projects.
- This rate reflects the Special Jurisdiction contractor's excise tax and is reported using the applicable Special Jurisdiction excise tax code on the state contractor's excise tax return.

### Use Tax on Construction Material

Contractors owe sales tax or use tax on construction materials used in all construction projects regardless if used in projects for the United States government, the Tribal government, the State of South Dakota, or private persons. Contractors also owe use tax on material furnished to them by an exempt entity, such as the Tribal government or the State of South Dakota.

- Municipal sales tax or use tax may be due if the material is delivered or used in a city that imposes a municipal tax.
- Sales tax or use tax on all material delivered within a Special Jurisdiction is reported using the Special Jurisdiction's code for sales/use tax.
- If the contractor picks up the material at a location outside the Special Jurisdiction, but within South Dakota, the state sales tax would apply. This would not be reported under the Special Jurisdiction sales/use tax code.
- If the contractor purchases materials at a location outside South Dakota and the materials are delivered to the contractor within the Special Jurisdiction, the Special Jurisdiction use tax would apply. Credit will be allowed for tax paid to another state.

# **Limited Tax Collection Agreement**

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The two Indian tribes with limited tax collection agreements are the Sisseton Wahpeton Oyate and the Yankton Sioux Tribe.

The limited agreements do not include all taxes and apply to specific businesses and locations.

For information on reporting tax on transactions within Indian country not included in these agreements, see the “Indian Country Not Included In Tax Collection Agreements” section on page 8.

## **1. Sisseton Wahpeton Oyate**

The Sisseton Wahpeton Oyate limited tax collection agreement includes the use tax and contractor’s excise tax at only the following locations:

1. The Dakota Connection Property— a casino, restaurant, convenience store, and gas station located east of Sisseton at the junction of I-29 and HWY 10;
2. The Agency Village Property— a convenience store and gas station located in Agency Village (10 miles south of Sisseton);
3. The Dakota Sioux Property—a casino, hotel, restaurant, convenience store, and gas station located northwest of Watertown;
4. The Buffalo Lanes Property—a bowling alley located east of Sisseton at the junction of I-29 and HWY 10; and
5. Dakota Crossing Grocery Store—a grocery store located east of Sisseton on HWY 10.

The limited tax collection agreement does not include sales tax and does not include Indian country controlled by the Sisseton Wahpeton Oyate not listed above.

- Receipts from construction services for projects on the above locations must be reported on the state’s excise tax return, using the Sisseton Wahpeton Special Jurisdiction excise tax code, and on the Tribe’s tax return. The excise tax may be paid to either the State or the Tribe.
  - ⇒ If you are paying the excise tax to the Tribe, use Line 25 of the state tax return to deduct the amount paid to the Tribe. Please note that the deduction is for excise tax paid directly to Sisseton Wahpeton Oyate.
- Use tax must be reported on the state tax return using the Sisseton Wahpeton Special Jurisdiction use tax code and paid to the State.
- Non-tribal retailers delivering goods or services to the project location are responsible for collecting the state sales tax. This would not be reported under the Special Jurisdiction code.

## **2. Yankton Sioux Tribe**

The Yankton Sioux Tribe limited tax collection agreement includes the use tax and contractor’s excise tax at only the following locations:

1. Fort Randall Casino & Smokeshop property; and
2. Yankton Sioux Tribe Travel Plaza.

Both properties are located on Highway 46, 10 miles west of Wagner, SD, or 3 miles east of Pickstown, SD.


- Receipts from construction services for projects at either of the above locations must be reported on the state’s excise tax return using the Yankton Special Jurisdiction excise tax code.
- Use tax must be reported on the state tax return using the Yankton Special Jurisdiction use tax code and paid to the State.
- Non-tribal retailers delivering goods or services to the project location are responsible for collecting the state sales tax. This would not be reported under the Special Jurisdiction code.

# How to Report Sales Tax and Use Tax for Special Jurisdictions

Sales tax and use tax are reported on the state sales tax return.

- Include all sales on Line 1, Gross Sales. All sales to exempt entities, such as Tribal governments, should be included on this line.
- Deduct sales to Tribal governments (nontaxable sales) on Line 3, Non-Taxable Sales.
- Deduct taxable sales made within the Special Jurisdictions (Indian country included in a Tax Collection Agreement) on Line 4, Special Jurisdiction Sales.
- Under Line 6, City and Special Jurisdiction Calculation Detail, see Special Jurisdiction Codes and Rates Chart on page 7.
  - ⇒ Report taxable sales made within Special Jurisdictions using the code assigned to that Jurisdiction.
  - ⇒ Report taxable sales subject to municipal tax under the appropriate municipal name and code.

SD EForm - 1934 V13 Complete and use the button at the end to print for mailing. HELP



**SALES AND USE TAX RETURN**

Reporting Period   
 Return   
 Return Due

If your address changed, please update below:  
 Mailing Address:   
 Physical Address:   
 Out of business? Last day of business:   
*Please send your license card in with your return.*

License #

SALES TAX CALCULATIONS	GROSS	TAXABLE	RATE	TAX DUE
1. Gross Sales	\$6,500.00			
2. Use Taxable				
3. Non-Taxable Sales	\$500.00			
4. Special Jurisdiction Sales (Detail in City Section)	\$1,000.00			
5. Net State Sales Taxable (Line 1 plus Line 2, minus Line 3, minus Line 4)		\$5,000.00	x 4.5%	\$225.00
6. City & Special Jurisdiction Tax Calculation Detail:				
7. City/Special Jurisdiction Name	Code	Taxable	Rate	Tax Due
8. Mission	239-2	\$1,000.00	2.00	20.00
9. RBST-ST	412-4	\$1,000.00	4.50	45.00
10. Pierre	284-2	\$5,000.00	2.00	100.00
11.				0.00
12.				0.00
13.				0.00
14.				0.00
15.				0.00
16.				0.00
17.				0.00
18.				0.00
19.				0.00
20.				0.00
21.				0.00
22. Total City/Special Jurisdiction Tax (Add Lines 8 through 21)				\$165.00
23. Total Tax Due (Line 5 plus Line 22)				\$390.00
24. Penalty/Interest				
25. Adjustment (Previous Credit/Balance Due)				
26. Total Due (Line 23 plus Line 24 plus Line 25)				\$390.00
27. Amount Remitted				

I declare under the penalties of perjury this return has been examined by me and to the best of my knowledge and belief is a true, correct and complete return.

Date  Preparer   
 Date  Licensee

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## Return Example:

For this reporting period, there are three invoices as follows:

- A. \$1,000 taxable sale delivered in Mission, SD (in Rosebud Special Jurisdiction).

Tax due: 4.5% Rosebud Special Jurisdiction tax and 2% Mission municipal tax.

How to report: Include \$1,000 on line 1 and 4 and report the 4.5% sales tax on \$1000 using the Rosebud Special Jurisdiction sales/use tax code for 4.5%. Report Mission municipal tax of 2% using the code for Mission.

- B. \$500.00 exempt sale to the Rosebud Sioux Tribe.

Tax due: No tax is due because sales to Indian tribes are exempt.

How to report: Include \$500 on line 1 and 3.

- C. \$5,000 taxable sale delivered in Pierre, SD.

Tax due: 4.5% state sales tax plus 2% Pierre municipal sales tax.

How to report: Include \$5,000 on line 1 and report the 2% Pierre municipal tax using the code for Pierre.

# How to Report Sales Tax and Use Tax for Special Jurisdictions

Contractor's excise tax and use tax are reported on the state contractor's excise tax return. This includes all receipts for projects within Special Jurisdictions.

- Include all receipts received for construction services on Line 1, Gross Receipts.
- Deduct receipts from taxable projects within the Special Jurisdictions on Line 4, Special Jurisdiction Receipts.
- Under Line 8, City and Special Jurisdiction Calculation Detail, see Special Jurisdiction Codes and Rates Chart on page 7.
  - Report gross receipts, including the value of owner furnished material and the use tax on the material, for projects within Special Jurisdictions.
  - Report use tax due on materials purchased without sales tax and on materials furnished by the owner (if sales tax was not paid by the owner) based on where the materials were used. Do not report use tax for these items on Line 6 or 7.
  - Report sales or purchases subject to municipal sales tax or use tax under the appropriate municipal code and rate.

## Return Example:

Payment of \$5,000 is received by a contractor for installation of windows for the Standing Rock Tribal Government office building. The Tribe furnished new windows at a cost of \$3,000.

### Tax Due:

- If no sales tax paid, 4.5% use tax on the \$3,000 paid for the windows (plus any delivery charges) is reported using the Standing Rock Special Jurisdiction sales/use tax code for 4.5% as possession is on the Standing Rock Indian Reservation.
- 2% contractor's excise tax on \$8,135 is reported using the Standing Rock Special Jurisdiction excise tax code because the project is on the Standing Rock Indian Reservation. The \$8,135 includes the \$5,000 received in payment plus the \$3,000 owner furnished materials and the \$135 use tax on the materials.

SD EForm - 1933 V12 Complete and use the button at the end to print for mailing.

HELP



## CONTRACTORS' EXCISE TAX RETURN

Reporting Period:   
 Return:   
 Return Due:

If your address changed, please update below:

Mailing Address:

Physical Address:

Out of business? Last day of business:

Please send your license card in with your return.

EXCISE TAX CALCULATIONS	GROSS	TAXABLE	RATE	TAX DUE
1. Gross Receipts	\$5,000.00			
2. Owner-Furnished Materials	\$3,135.00			
3. Deductions (Subcontractors Receipts, Out-of-state)				
4. Special Jurisdiction Receipts (Detail in City Section)	\$8,135.00			
5. Net State Excise Taxable (Line 1 plus Line 2, minus Line 3, minus Line 4)			\$0.00 x 2%	\$0.00
6. Net Sales and/or Use Taxable			x 4.5%	\$0.00
7. Total State Tax Due (Line 5 plus Line 6)				\$0.00
8. City & Special Jurisdiction Tax Calculation Detail:				
9. City/Special Jurisdiction Name	Code	Taxable	Rate	Tax Due
10. SRST-ST	413-4	\$3,000.00	4.50	\$135.00
11. SRST-ET	413-2	\$8,135.00	2.00	\$162.70
12.				\$0.00
13.				\$0.00
14.				\$0.00
15.				\$0.00
16.				\$0.00
17.				\$0.00
18.				\$0.00
19.				\$0.00
20.				\$0.00
21.				\$0.00
22. Total City/Special Jurisdiction Tax (Add Lines 10 through 21)				\$297.70
23. Total Tax Due (Line 7 plus Line 22)				\$297.70
24. Penalty/Interest				
25. Adjustment (Previous Credit/Balance Due)				
26. Total Due (Line 23 plus Line 24 plus Line 25)				\$297.70
27. Amount Remitted				

I declare under the penalties of perjury this return has been examined by me and to the best of my knowledge and belief is a true, correct and complete return.

Date:  Preparer:   
 Date:  Licensee:

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# Special Jurisdiction Codes and Rates Chart

Special Jurisdiction	Tax Type (Tax Return Designation)	Code	Rate
Cheyenne River Special Jurisdiction	Cheyenne River Sales/Use (CRST-ST)	408-4	4.5%
	Cheyenne River Excise (CRST-ET)	408-2	2%
	Cheyenne River Tourism (CRST-TT)	408-5	1.5%
Crow Creek Special Jurisdiction	Crow Creek Sales/Use (CCST-ST)	417-4	4.5%
	Crow Creek Excise (CCST-ET)	417-2	2%
	Crow Creek Tourism (CCST-TT)	417-5	1.5%
Oglala Special Jurisdiction	Oglala Sales/Use (OGST-ST)	411-4	4.5%
	Oglala Excise (OGST-ET)	411-2	2%
	Oglala Tourism (OGST-TT)	411-5	1.5%
Rosebud Special Jurisdiction	Rosebud Sales/Use (RBST-ST)	412-4	4.5%
	Rosebud Excise (RBST-ET)	412-2	2%
	Rosebud Tourism (RBST-TT)	412-5	1.5%
Standing Rock Special Jurisdiction	Standing Rock Sales/Use (SRST-ST)	413-4	4.5%
	Standing Rock Excise (SRST-ET)	413-2	2%
	Standing Rock Tourism (SRST-TT)	413-5	1.5%
Sisseton Wahpeton Special Jurisdiction	Sisseton Wahpeton Use (SWO-UT)	414-4	4.5%
	Sisseton Wahpeton Excise (SWO-ET)	414-2	2%
Yankton Special Jurisdiction	Yankton Use (YST-UT)	418-4	4.5%
	Yankton Excise (YST-ET)	418-2	2%

## Municipal Tax

Many cities in South Dakota have a sales tax and use tax in addition to the state or tribal tax. If the customer receives a product or service in one of these municipalities, it may be subject to that municipality's tax.

- Municipal tax is reported under the appropriate city code on the City and Special Jurisdiction Calculation Detail section of the sales tax return.

### Cities in Special Jurisdictions

The following South Dakota cities are located within Special Jurisdictions. Services received or products delivered within these cities should be reported under the Special Jurisdiction sales/use tax code. This table also indicates cities that have a municipal tax. The applicable code and rate are listed next to each city. If a city is not listed or does not have a code and rate listed, it does not have municipal tax.

Cheyenne River Special Jurisdiction					
	Code	Rate		Code	Rate
Bridger			Isabel	184-2	2.00%
Cherry Creek			Lantry		
Dupree	101-2	1.00%	La Plant		
Eagle Butte	102-2	2.00%	Ridgeview		
Firesteel			Timber Lake	345-2	2.00%
Glad Valley			Whitehorse		
Glencross					

Oglala (Pine Ridge) Special Jurisdiction					
	Code	Rate		Code	Rate
Batesland			Porcupine		
Kyle			Sharps Corner		
Long Valley			Wanblee		
Manderson			Wounded Knee		
Oglala					
Pine Ridge					

Standing Rock Special Jurisdiction					
	Code	Rate		Code	Rate
Bullhead			McLaughlin	220-2	2.00%
Keldron			Morristown	246-2	1.50%
Kenel			Trail City		
Little Eagle			Wakpala		
McIntosh	219-2	2.00%	Watauga		

Rosebud Special Jurisdiction					
	Code	Rate		Code	Rate
Mission	239-2	2.00%	Rosebud		
Okreek			St. Francis		
Parmelee					

Crow Creek Special Jurisdiction					
	Code	Rate		Code	Rate
Fort Thompson			Stephan		

# Indian Country Not Included in Tax Collection Agreement

The State of South Dakota does not have sales, use, or contractor's excise tax collection agreements with the Flandreau Santee Sioux Tribe or the Lower Brule Sioux Tribe.

The Yankton Sioux Tribe and the Sisseton Wahpeton Oyate have limited tax collection agreements that do not include sales tax, and do not include use tax or contractor's excise tax in areas not defined in the agreements.

Before making sales or entering into a contract to provide construction services or realty improvements within Indian country controlled by these Tribes, but not included in the tax collection agreement, you should contact the Tribe to obtain information on taxes the Tribe may impose.

## Sales Tax and Use Tax

Sales of goods or services to a Tribal government are exempt from sales tax. For any sales, including online sales, that are not to a Tribal government, the following rules apply:

- When a non-tribal member retailer sells goods or services that are received by the purchaser in Indian country not included in a sales tax collection agreement, those sales may be subject to the state sales tax. Municipal sales tax may also be due depending on where the goods or services are received.
- When a Tribal government or enrolled tribal member retailer sells goods or services that are received by the purchaser in South Dakota, those sales are subject to the state sales tax and any applicable municipal sales tax unless the goods or services are received in Indian country controlled by that government's or member's Tribe. Although sales tax is not due on these transactions, if the purchaser is not an enrolled member of the governing Tribe, the transaction is subject to the state use tax and any applicable municipal use tax. The retailer must collect such taxes from the purchaser and remit them to the State.

### Examples:

1. *An enrolled member of a tribe with no sales tax collection agreement purchases a refrigerator from a business not within Indian country. The business delivers the product to the customer's residence on Indian country controlled by the enrolled member's tribe. What tax is due?*
  - The 4.5% state sales tax is due on this transaction. The retailer is responsible for remitting the sales tax.
2. *A convenience store is located within Indian country not included in a tax collection agreement. The store is not solely owned by the tribal government or by members of the tribe in control of the Indian country. What tax is due?*
  - Sales made by this store may be subject to the 4.5% state sales tax. There is no exemption for sales made to tribal members. However, sales made directly to and paid by the Tribal Government are exempt.
3. *An enrolled member of a tribe with no sales tax collection agreement purchases a shirt online from a non-tribal member, licensed retailer. The shirt is delivered to the customer's residence within Indian country controlled by the enrolled member's tribe. What tax is due?*
  - The 4.5% state sales tax is due. The retailer is responsible for remitting the sales tax.

## Reporting Sales

Gross receipts from sales to enrolled members on non-agreement Indian country areas are included on Line 1 of the state sales tax return.

- If the tribal government or an enrolled tribal member retailer makes a sale within Indian country controlled by their tribe to a non-member, the sale is not subject to the state sales tax, but the retailer must still collect the state use tax on the sale to the non-member.
  - ⇒ The tribal retailer, in this instance, should include the gross receipts for sales made to enrolled members in line 1 of the states sales tax return, deduct these receipts on line 3, non-taxable sales, and report the receipts for sales made to non-members on line 2, use taxable.



# ***Indian Country Not Included in Tax Collection Agreements (cont.)***

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## ***Contractor's Excise Tax***

Generally, non-tribal member contractors doing construction services or realty improvements within Indian country that is not included in a tax collection agreement are subject to the state contractor's excise tax. The state sales tax or use tax also applies to materials purchased for these projects.

- Tribal government or enrolled member contractors providing construction services or realty improvements within Indian country controlled by the contractor's tribe do not owe state contractor's excise tax when the Indian country is not included in a tax collection agreement. In those instances, the Tribal government or enrolled tribal member contractor does not owe use tax on materials when the materials are delivered by an unlicensed retailer to the contractor within Indian country controlled by the contractor's tribe.
- An unlicensed tribal contractor performing a construction service within Indian country controlled by the contractor's tribe cannot issue a prime contractors' exemption certificate to subcontractors for the projects within Indian country controlled by the contractor's tribe. Subcontractors who are not enrolled tribal members are then subject to the contractor's excise tax.

## ***Indian Country Projects***

Some construction projects may qualify for an exemption from state contractor's excise, sales, and use taxes.

The prime contractor or project owner may submit an ["Indian Country Project—Request for Exemption"](#).

- The Department of Revenue will review the project by using a list of qualifying criteria and send back a written response either approving or denying the request for exemption. Contractors who have questions regarding the list of qualifying criteria should contact the department.

One requirement for the exemption is that the project be located within Indian country controlled by one of the following Tribes and not included in a tax collection agreement area:

- Lower Brule Sioux Tribe
- Flandreau Santee Sioux Tribe
- Sisseton Wahpeton Oyate
- Yankton Sioux Tribe

Projects which may qualify include:

- Tribal hospitals
- Tribal housing projects
- Tribal schools
- Tribal administrative buildings

If approved, the contractor should provide material suppliers and subcontractors with a copy of the approved Request for Exemption form. The sales tax and use tax exemption for materials only applies to materials incorporated into the project.

Gross Receipts for work on an approved project are reported on the excise tax return on line 1 and are deducted on line 3. Contractors and material suppliers are responsible for maintaining documentation listing the project name and location.

## **Contact Us**

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

**Call toll-free:** 1-800-829-9188

**Business Tax Division Email:** [bustax@state.sd.us](mailto:bustax@state.sd.us)

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

**Mailing address and office location:** South Dakota Department of Revenue  
445 East Capitol Ave  
Pierre, SD 57501

***Please be sure to contact the appropriate Tribal Tax Office whenever doing business within Indian country regarding additional licensing requirements that may be imposed by the tribe.***

## **Contact Information - Tribal Information**

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### **Cheyenne River Sioux Tribe**

CRST Revenue Office  
PO Box 590  
Eagle Butte, SD 57625  
(605) 964-7071

### **Crow Creek Sioux Tribe**

PO Box 50  
Ft. Thompson, SD 57339  
(605) 245-2221

### **Flandreau Santee Sioux Tribe**

PO Box 283  
Flandreau, SD 57028  
(605) 997-3891

### **Lower Brule Sioux Tribe**

PO Box 187  
Lower Brule, SD 57548  
(605) 473-5561

### **Oglala Sioux Tribe**

OST Revenue Office  
PO Box 363  
Pine Ridge, SD 57770  
(605) 867-5821 (option 7)

### **Rosebud Sioux Tribe**

RST Revenue Office  
PO Box 367  
Rosebud, SD 57570  
(605) 747-5045

### **Sisseton Wahpeton Oyate**

SWO Revenue Office  
PO Box 776  
Agency Village, SD 57262  
(605) 698-3541

### **Standing Rock Sioux Tribe**

SRST South Dakota Revenue Office  
PO Box 500  
McLaughlin, SD 57642  
(605) 823-2290

### **Yankton Sioux Tribe**

YST Tax Office  
PO Box 1153  
Wagner, SD 57380  
(605) 384-3641 ext. 1045