



SPRING
2020

SOUTH DAKOTA
DEPARTMENT OF REVENUE
NEWSLETTER



Message From Secretary Jim Terwilliger

Greetings from the South Dakota Department of Revenue!

The 2020 Legislation session wrapped up and we are continuing to prepare for fiscal year changes as new laws are set in place. Read up on one of those changes we have provided on page 3.

As much of the world is experiencing the impact of the coronavirus (COVID-19) this spring, DOR wants to acknowledge the changes we see here in South Dakota. We provide ways that video lottery establishments can promote health and safety precautions as businesses reopen on page 3. Page 4 touches on Governor Noem's *Back to Normal Plan* and motor vehicle extensions on registering, renewing, and titling your vehicle. We also provide COVID-19 FAQs that the Department of Revenue has put together to deliver additional resources as we continue to adjust

to new standards. Page 5 offers our new online resources that we now provide to the citizens of South Dakota to best accommodate you during these times.

Our Audit Division offers guidance regarding the 5 most common errors of contractor's excise tax on page 6. Are you and your team looking to further your expertise on the topics of sales, use, or contractors excise tax? See our upcoming seminar dates on page 6, but be sure to check back for any rescheduled dates that may occur during the next few months.

Are you curious how you could win a brand new 2020 Ford vehicle of your choice? Learn more about South Dakota's new lottery scratch ticket on page 6.

As always, please contact our dedicated staff if we can provide any assistance to you. We hope you enjoy this edition of our newsletter!

eForms Reformed!

Here at the Department of Revenue, we continue to promote convenient and easy ways for the citizens of South Dakota to complete their transactions. With 105 forms available on our online platform, you are now able to submit forms electronically. Electronic submissions can save you time because there is no longer the need to print and turn in a physical copy of the form. We continue to see an increase in popularity of our eForms, with 7,730 forms submitted between October 2019 and May 2020!

Individuals fill out their information and submit the eForm with a click of a button. From here, the eForm is sent on to be processed. After the form is reviewed and signed, the individual will receive an email confirming the eForm has been completed.

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Internet Access Goes Untaxed Beginning July 1, 2020

The Internet Tax Freedom Act of 1998 temporarily stopped states and local governments from imposing new taxes on Internet access and multiple or discriminatory taxes on electronic commerce. The Act had a grandfather clause allowing states that already taxed Internet access to continue enforcing those taxes. South Dakota was included in the grandfather clause.

In 2016, Congress made the Act permanent and only extended the grandfather clause to June 30, 2020.

Starting July 1, 2020, Internet access will no longer be subject to state and municipal sales tax.

For more information, please read the [Internet Tax Freedom Act \(ITFA\) Tax Fact](#).

Municipal Tax Changes

Beginning July 1, 2020, one South Dakota community will implement a new municipal tax rate. The municipal tax changes taking effect include:

- **Erwin, S.D.**, increasing its 0% general sales and use tax rate to 2%.

South Dakota municipalities are able to implement new tax rates or change existing tax rates on January 1 or July 1 each year.

Wondering What Your Tax Rate Are? Look Up Your Rates With



Standard License Plate Design Goes Unchanged Till 2023

Governor Noem signed [House Bill 1154](#) into law during the 2020 South Dakota Legislative Session, extending the license plate reissue cycle from 5 years to 7 years. As a result, South Dakotans will keep their standard plates until 2023 instead of 2021.

Individuals will receive their new license plates when they renew their vehicle registrations during their renewal month. There is no additional charge to South Dakotans and plates will be provided to them from the state. If you are looking to receive a duplicate plate because you have damaged your original, the cost will be \$10.



Due Dates

Tax Return	Due Date
May	6/22/2020
June	7/20/2020
July	8/20/2020

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.

June– K/L

July– M/N

August– O/P/Q/R

**April and December are non-renewal months*

Keep Your Video Lottery Establishments Clean By Following These Easy Steps



If your video lottery establishments are open, please remember to take the proper steps to protect the health and safety of your employees and customers. Many municipalities have adopted ordinances concerning the coronavirus

(COVID-19) in an effort to mitigate community spread of the virus — you should review any adopted ordinance to determine its application to your establishment.

Be sure to follow guidelines set by the Centers for Disease Control and Prevention (CDC). The CDC recommends that no area has groups of 10 or more people and individuals should be at least 6 feet apart. We all need to do our part to combat the coronavirus and to stop community spread.

Cleaning and disinfecting your facility are also vital in protecting your staff and customers. Be sure to routinely clean frequently touched surfaces with soap and water and/or alcohol-based wipes and sprays. Examples of these areas include tables, doors, countertops, handles, faucets, and toilets.

You should also routinely clean video lottery terminals. Consider putting a wipeable cover on electronics or use alcohol-based wipes and sprays. Be sure to dry the surface thoroughly for best results. Please remind all employees to wash their hands frequently, especially those who are in contact with customers. An employee should wash his or her hands after each transaction.

For more information on the CDC's recommendations, please visit <https://www.cdc.gov/coronavirus/2019-ncov/prepare/disinfecting-building-facility.html>. We thank all of our partners for following these recommendations during these difficult circumstances. Please contact the South Dakota Lottery if you have any questions.





South Dakota's Back To Normal Plan

Governor Announces Back to Normal Plan

COVID-19 has impacted individuals and businesses across the world, reaching pandemic numbers. South Dakota reported their first case on March 10, thus bringing South Dakota into defense mode as many businesses shut down to stop the spread of the disease. On May 1, Governor Noem signed an [Executive Order](#), giving South Dakotans direction as they head back into the workforce and begin transitioning to the “new normal.” The Back to Normal plan addresses the following groups:

1. Individuals
2. Employers
3. Retail Businesses
4. Public Gatherings
5. Schools
6. Health Care Providers
7. Local Governments

While social distancing is still on the forefront, South Dakotans begin to see light at the end of the tunnel. Online learning and remote work has since increased and the Department of Revenue continues to keep adapting to the changes that we face on a day-to-day basis.

For more information regarding Governor Noem’s Back to Normal Plan, [click here](#).

Governor Extends Motor Vehicle Registrations, Renewals, and Titling

Although individuals are able to complete their vehicle registration renewals from one of our DMV Now Kiosks or online, DOR understands that not everyone in the state has access to these resources. In response, Governor Noem announced in her Executive Order that individuals who renew their licenses in March and May have an additional 60 days upon the lift of state restrictions to renew without being charged any penalties or interest. Additionally, any owner of a newly acquired vehicle that has been obtained within the time period covered under the Governor’s Executive Order will have 60 days to title and register their vehicle after the emergency order has been lifted.

Have You Visited DOR’s COVID-19 Frequently Asked Questions Page?

Stay in the know by visiting the [Department of Revenue’s frequently asked questions page](#) and see what others are asking! We have provided answers to our most common questions regarding the changes that COVID-19 brought to South Dakota in the following divisions:

Business
Tax

Lottery

Motor
Vehicle

Property
Tax

COVID-19 HITS SOUTH DAKOTA

DOR UTILIZES ONLINE
RESOURCES



Request A Customized Presentation From The Department of Revenue Online!

COVID-19 strikes, DOR shifts. We are proud to announce that individuals and businesses now have the opportunity to request a presentation online, designed specifically for you! The Department of Revenue has partnered with Microsoft Teams to allow virtual office meetings where you and your team are able to meet and listen in on easy to understand information that will help you as you get on your way to being a tax expert. If you would like to request a speaker, complete the form we've provided below.

Presentations, seminars, and workshops vary from simple question and answer sessions to full-fledged computer-generated visual presentations. Our Business Education Coordinator will work with you to design an information session that will utilize available resources. All we ask is that you notify our office at least one month in advance of the event to allow for additional preparation time.

[Sign up for your customized presentation request here.](#)

DOR Now Offering Face-to-Face Virtual Office Visits

Now more than ever, South Dakotans are turning to online resources to take care of their daily needs and routines. We are excited to announce our face-to-face virtual office visits are now up and running. South Dakotans have the option to schedule a meeting with one of our tax agents and meet with them face-to-face from the comfort of their home. We've created instructions on how to set up your electronics to access the platform, schedule an appointment by filling out a form, and seamlessly completing your tasks without the hassle of ever leaving the house! To learn more, we have provided a brief description of [how to set up your virtual appointment here.](#)

What Can We Do For You Today?

Since March 19, our employees have responded to over 7,000 chat conversations. With our quick response times on dor.sd.gov, you are able to receive an answer to your question by sending it to our Live Chat, operated by our trusted employees here at the Department of Revenue. We answer your questions during our regular office hours of Monday-Friday 8:00 am-5:00 pm CT. You can also reach us by calling 1-800-829-9188.



Win a Brand New 2020 Ford Vehicle By Playing South Dakota Lottery

With the South Dakota Lottery's newest scratch ticket, you could instantly win a brand new 2020 Ford vehicle of your choice!

The \$5 KEYS-N-CASH ticket could have you driving off in a new ride or you could win one of thousands of cash prizes!

Didn't have a winning ticket?

Don't worry, a new vehicle could still be in your future. Enter non-winning tickets before November 20th for a second chance to win!

Don't forget you can enter your non-winning tickets with ease through our mobile app. For more information, [click here](#).



Upcoming Tax Seminars

Be sure to check <https://apps.sd.gov/RV23Education/Classes.aspx> for potential reschedule dates.

Date	Topic	Location
June 16	Basic Sales Tax	Watertown
June 16	Basic Contractor's Excise Tax	Watertown
July 28	Basic Sales Tax	Mitchell
July 28	Basic Contractor's Excise Tax	Mitchell
August 15	Basic Sales Tax	Aberdeen
August 15	Basic Contractor's Excise Tax	Aberdeen
October 8	Basic Sales Tax	Watertown
October 8	Basic Contractor's Excise Tax	Watertown
October 27	Basic Sales Tax	Sioux Falls
October 27	Basic Contractor's Excise Tax	Sioux Falls

The Most Common Contractor's Excise Tax Errors You Need To Know

South Dakota DOR is here to help you better understand what contractor's excise tax is, and the most common errors found in reporting. First, a contractor's excise tax is imposed on the gross receipts of all prime contractors and subcontractors engaged in construction services or realty improvement projects in South Dakota. The gross receipts include the tax collected from the consumer. These gross receipts include the full amount received directly or indirectly in money, credits, property, or liquidated damages for performing construction services or realty improvements in South Dakota.

The Most Common Errors Found In Excise Tax Are:

1. Not remitting excise tax on owner-furnished materials (OFM). The prime contractor owes excise tax on the value of material furnished by the owner of the construction project, except for qualified utility projects.
2. Not reporting excise tax on work performed for local, state, or federal government agencies.
3. Excise tax charged on construction services subject to sales tax.
4. Not including the excise tax invoiced and collected in reported gross receipts.
5. Under-reporting of excise tax due to poor record keeping.

South Dakota DOR employees are available to answer any excise tax questions you may have. They can help with many topics such as; owner-furnished materials, prime and subcontractors, how to file contractors' excise tax electronically via EPath, and projects for qualifying utilities and governmental agencies, among others. Contact an agent today to assist you with all of your needs.

