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Storage and Warehousing

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The purpose of this Tax Fact is to provide general guidelines on how South Dakota taxes apply to storage 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.

Taxable Storage and Warehousing

- The following are subject to state and applicable municipal sales tax:
 - ⇒ Storage and warehousing, with services
 - ⇒ Cold or refrigerated storage or warehousing - including food lockers or frozen food lockers
 - ⇒ Parking space rental including boat and camper storage
 - ⇒ Airport hanger rental—including aircraft storage
 - ⇒ Tangible personal property leased, such as trailers, truck type boxes, or pods that may be delivered to a location, left there or moved to be stored elsewhere, then returned.
- Deposits for taxable services, such as a security deposit, are subject to sales tax.
- The South Dakota state and applicable municipal sales tax rate is based on the location of the warehouse.
 - ⇒ Click [here](#) to find the sales and use tax rate for a given address.

Examples of Taxable Services:

- Inventory
- Insurance
- Handling
- Packaging or Repacking
- Security Guards
- Climate or Temperature Controls
- Inventory Retrieval

Exempt Storage and Warehousing

- Mini-storage and self-storage are exempt from sales tax.
 - ⇒ This exemption applies to real property, such as permanent buildings or structures, used for storage or storage units with no additional services, except electricity or security cameras. This also includes storage units that are rented with or without a fence, video surveillance, or key or access card entry to enter the facility.
 - ⇒ This includes gross receipts from renting mini-storage, self-storage, or storage space.
- Farm product warehousing is exempt from sales tax.
 - ⇒ Includes gross receipts from warehousing and storage of farm products, including grain elevators. [SDCL 10-45-12.1](#)
- For a full list of exempt entities, see the [Exempt Entities Tax Fact](#).

Use Tax

Use tax is due on any products or services purchased by a storage business when no sales tax was originally paid.

- To learn more about use tax, see the [Use Tax Tax Fact](#).
- To submit a use tax payment online, click [here](#).

Examples of Use Taxable Items:

- Software
- Computers
- Bookkeeping Services
- Maintenance
- Promotion Items
- Cleaning Supplies
- Forklifts
- Repair Parts
- Office Supplies
- Shop Equipment & Tools

Examples:

1. *A warehouse is climate controlled and has separate secure areas for storage.*
 - This type of storage and warehousing is subject to state and applicable municipal sales tax because additional services are offered.
2. *A storage and warehousing facility purchases security equipment from an out of state business that did not charge sales tax.*
 - State and municipal use tax is due on the security equipment based on where the equipment was delivered.
3. *A warehouse picks up and delivers items to be stored, inventories items as they are received and returned, and provides security.*
 - State and municipal sales tax is due because the warehouse is providing additional services.

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

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

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