

Storage and Warehousing

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.

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Taxable Storage and Warehousing	South Dakota Taxes and Rates	
The following are subject to state and applicable municipal sales tax:Storage and warehousing, with services	State Sales Tax and Use Tax – Applies to all sales or purchases of taxable products and services.	4.2%
 Cold or refrigerated storage or warehousing - including food lockers or frozen food lockers 	Municipal Sales Tax and Use Tax – Applies to all sales of products and services that are subject to the state sales tax or use tax if the	1 to 2%
Parking space rental including boat and camper storage	purchaser receives or uses the product or service in a municipality that imposes a sales	1 10 270
Airport hanger rental—including aircraft storage	tax or use tax.	
 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. Examples of Taxable Service Inventory 		es:
 Deposits: Tax is due on deposits according to the accounting r used by the business when reporting and paying state sales or taxes. Cash reporters include the deposit amount in their gross during the period the deposit is received. Accrual reporters include deposit amount in their gross sales during the period when bill when recorded in the business's books and records. 	nethod use sales lude the • Insurance • Handling • Packaging or Repacking • Security Guards	ntrols
State and applicable municipal sales tax rate is based	on the location of the warehouse.	

Look up sales tax rates by address here: https://apps.sd.gov/rv25taxmatch/main.aspx

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-<u>12.1</u>).
- 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 <u>Use Tax Tax</u> <u>Fact</u>.
- To submit a use tax payment online, click <u>here</u>.

Examples of Use Taxable Items:

- Software
- Computers
- Bookkeeping Services
- Maintenance
- Promotion Items
 - Cleaning Supplies
- Forklifts

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- 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.

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- 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.

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