

**Summer
2025**

**SOUTH DAKOTA
DEPARTMENT OF REVENUE
NEWSLETTER**



A Message From Secretary Michael Houdyshell

Welcome to the Summer 2025 edition of our newsletter. In this issue, we're covering a wide range of updates and helpful information for individuals and businesses across the state. You'll find a full list of topics on page 2.

On page 3, we take a look back at the Sturgis Motorcycle Rally, including key stats and highlights from this year's event. We also share some of the most common mistakes found during audits, especially around sales and use tax.

Page 4 highlights our convenient online services, including the 605Drive portal and DMV Now Kiosks. If you haven't tried renewing your vehicle registration online or at a kiosk yet, now's a great time to check it out.

Looking ahead, page 5 features details about the upcoming electronic title project launching July 1, 2026. You'll also find exciting updates from the

South Dakota Lottery, which had a big month in August thanks to rising jackpots and lucky winners.

If you hold an IFTA license, be sure to read page 6. We're now enforcing a 20-day deadline to submit paperwork after receiving temporary operating authority. Also, contractors should be aware of their use tax liability on items stored, used, or consumed in South Dakota.

On page 7, we cover property tax incentives for landowners with eligible riparian buffer strips, applications are due by October 15. And finally, page 8 outlines other property tax relief programs, including several with upcoming deadlines.

As always, our team is here to help. If you have questions or need assistance, don't hesitate to reach out. We hope you enjoy this edition and find it useful!



What Can We Do For You Today?

dor.sd.gov

You are able to receive an answer to your questions quickly by sending it to our Live Chat!

This feature is operated by our trusted employees, here at the Department of Revenue. Our team is available Monday-Friday 8:00am-5:00pm CT.

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CONTACT US

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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

Common Errors Found in Audits

Taxpayers are audited to ensure compliance with state tax laws. If your business is selected for audit, here are a few tips to help you navigate the process successfully. Based on our experience, the following is a breakdown of the most common errors found during audits.

Common Sales Tax Errors

- Under-reporting of [sales tax](#) due to poor record keeping.
- Exempting sales to taxable customers such as churches and 501(c)3 entities.
- [Municipal tax](#) and Municipal Gross Receipts Tax (MGRT) reporting errors.
- Not having valid [exemption certificates](#) on file.
- Sales tax charged on construction services subject to excise tax.

Common Use Tax Errors

- Not remitting [use tax](#) on untaxed goods and services purchased/used.
- Not remitting use tax on items taken from inventory and used personally or in your business.
- Not remitting use tax on owner-furnished materials (OFM).
- Not remitting use tax on equipment brought in from out of state.
- Use tax overpaid in error on purchases of services subject to excise tax.
- Not retaining invoices for purchases made on a credit card

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

[Sales Tax Rate Lookup](#)



2025

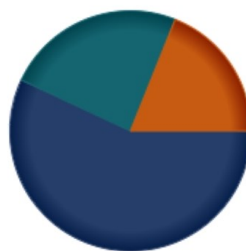
Sturgis Motorcycle Rally

COLLECTIONS

\$1.58 MILLION

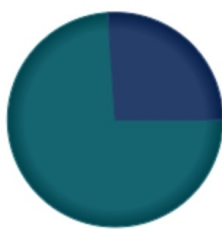
↑ **13%** up from 2024

BY TAX TYPE



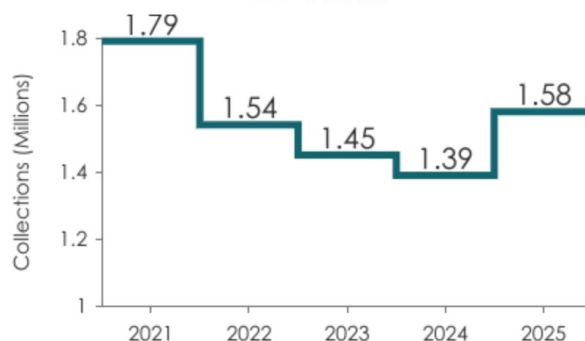
State Sales Tax (57%) \$ 901,513
Municipal Tax (24%) \$ 380,604
Tourism Tax (19%) \$ 299,619

BY REGION



Northern Hills \$ 1,169,300
Southern Hills \$ 412,436

BY YEAR

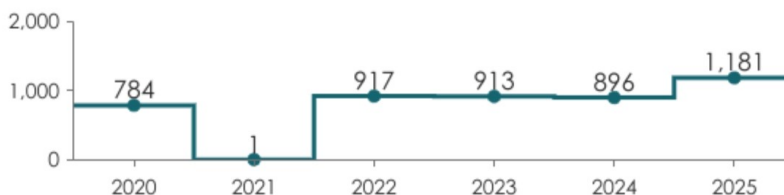


Note: HB1137 reduced the state tax rate from 4.5% to 4.2% effective July 1, 2023

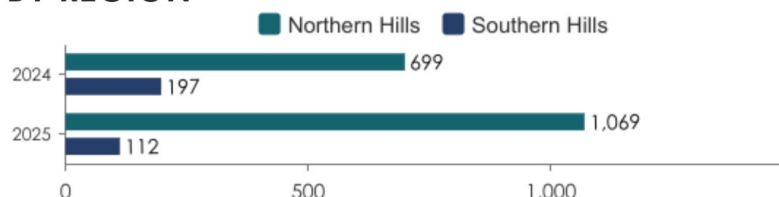
VENDORS

1181

BY YEAR



BY REGION



2025 Sturgis Motorcycle Rally sees double digits increase over 2024

The South Dakota Department of Revenue estimates that tax collections from the 2025 Sturgis Motorcycle Rally totaled \$1,581,736, marking a 13% increase over last year's collections of \$1,399,501. These figures include revenues from state sales tax, tourism tax, municipal sales tax, and municipal gross receipts tax.

State sales tax made up the largest portion, contributing \$901,513—a notable rise from \$790,805 collected in 2024. The 2025 rally also generated \$299,619 in state tourism tax and \$380,604 in municipal taxes.

This year's rally saw a significant increase in vendor participation, with 1,181 temporary vendors, representing a 32% increase over 2024.

In the Northern Black Hills—which includes Sturgis and surrounding communities in Meade and Lawrence counties—1,069 vendors generated \$1,169,300 in tax revenue, an 18% increase from last year. Meanwhile, in the Southern Black Hills, including Rapid City, Custer, Hill City, and Keystone, 112 vendors brought in \$412,436 in tax collections.

DMV Now Self-Service Terminals

How Are You Renewing Your Vehicle Registration?

There are currently four options for annual renewal of a vehicle registration. You can renew a license in person at the county treasurer's office, by mail through the county, through 605Drive online, or through a DMV Now License Renewal Kiosk (twenty-one DMV Now Kiosks, located across the state!).

Conveniently located self-service terminals give South Dakotans the ability to renew their registrations on the go. Vehicle owners can print their registration cards and plate stickers on the spot in less than five minutes!

To find a location near you, visit www.sddmvnowkiosk.com.

In addition to self-service terminals, South Dakotans may also renew their vehicle registrations online at <https://my605drive.sd.gov/> or in person by visiting their local county treasurer's office. For more information on these methods of renewal, [click here](#).

Within the newly introduced 605Drive portal, users have two options for renewing their registrations: logging in to mySD or using the quick renewal option. Explore these options here:

<https://my605drive.sd.gov/>

CLICK HERE FOR
A COMPLETE LIST
OF LOCATIONS

Due Dates

Tax Return	Due Date
August	09/22/2025
September	10/20/2025
October	11/20/2025
November	12/22/2025

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.

September – S

November – T/U/V/W/X/Y/Z

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

Log In

 Sign in with mySD



Vehicle Ownership and Registration

Process ownership updates and requests related to your registration.

[➤ Quick Renew Vehicle Registration](#)



Electronic Title Project

Starting July 1, 2026, South Dakota will transition to an electronic vehicle title system as established by Senate Bill 131 during the 2025 Legislative Session. This modernization project means the state will no longer automatically print paper titles. Instead, vehicle owners will be able to securely view and manage their titles online through their my605Drive accounts.

The new system will allow for:

- Electronic submission of title applications, lien statements, and related documents
- Faster and more efficient processing of vehicle title transfers
- Convenient, 24/7 online access to vehicle title records

The new e-title system launches on July 1, 2026, but you may notice changes earlier. The Department of Revenue will stop automatically printing paper titles in early 2026. If you still want a paper title, you will be able to request one. Once the new e-title system goes live, vehicle owners who prefer or require a paper copy will still have the option to request a printed title at any time.

The Department of Revenue is actively developing this system and is committed to delivering a seamless, user-friendly experience. More details and updates will be shared as the launch date approaches.

Follow the South Dakota
Department of Revenue on
social media!



Follow us on social media @SDRevenue

Big Winners

The month of August was an eventful one for the South Dakota Lottery, thanks in part to a rising jackpot and an abundance of big winners.

The excitement began during the August 6 Lotto America when South Dakota was home to its first national jackpot winner since 2018. The \$4.01 million winning ticket was purchased at Freedom Valu Center in Vermillion. The store received a \$10,000 bonus for selling the ticket.

The jackpot win was South Dakota's first under the current version of Lotto America, which launched in 2017.

As the Powerball jackpot



continued its ascent, a drawing resulted in another millionaire in South Dakota. As a result of the August 23 Powerball drawing, a player won the \$2 million second prize. The winning ticket was purchased at Gas N More in Mobridge, and the store will receive a \$25,000 bonus.

The winning ways continued August 27 with a trio of big Powerball winners. The big winners were highlighted by a player who made the most of Powerball's Double Play add on. The add on, which puts a ticket's numbers into a second drawing, resulted in a \$500,000 second prize.

The winning ticket was purchased at Hy Vee Gas, located on 5201 W. 26th St. in Sioux Falls.

The Double Play feature also proved to be fruitful for another player, who won the \$50,000 third prize. The \$50,000 winning ticket was purchased at Stones Truck Stop in Watertown.

The traditional Powerball game also had its share of excitement in South Dakota. A \$200,000 prize was won after a player matched 4 of 5 winning numbers plus the Powerball for the game's third prize. The Power Play add on then multiplied the prize by 4. The \$200,000 ticket was purchased at 4E Foods in Philip.

The winners coincide with Powerball's jackpot climb that featured a \$1 billion jackpot for the August 30 drawing.



Reminder: Complete Your IRP Registration Within 20 Days to Avoid a Penalty

Thanks to the new 605Drive platform, the Motor Vehicles Division is now able to better track and enforce timelines for IRP (International Registration Plan) registrations.

If you receive **temporary operating authority** for your IRP registration, you now have **20 days** to submit all the required information to complete your registration. If you don't meet that deadline, a **\$20 late penalty** will be added to your account. This rule comes from **SDCL 32-10-37**, which helps ensure that registrations are completed on time and that temporary authority is not used longer than intended.

If you have questions or need help, email the team at sdmotorcarrier@state.sd.us or call **605-773-3314**.

Use Tax: The Construction Cost You Might Be Overlooking

If you are in the construction business in South Dakota, you're probably familiar with contractor's excise tax. But one area that is often overlooked is **use tax**, and it's important to understand how it fits into your day-to-day operations.

When are contractors responsible for use tax?

As a contractor, you are considered the consumer of the materials used in construction or realty improvement projects even if you did not purchase the materials. That means you are responsible for paying use tax on any untaxed materials you store in South Dakota or install in a construction or realty improvement contract. Materials provided to you by your customer are subject to use tax if there is no clear proof that sales tax was paid.


Use tax applies to equipment used in construction or realty improvement projects if no sales tax was paid on the equipment when it was purchased. You should pay particular attention to equipment you bring into South Dakota from another state to ensure sales tax was paid on the equipment when it was purchased. If sales tax was not paid, you will owe use tax on the equipment.

Key Things to Keep in Mind:

- **Double-check out-of-state purchases.** Compare the tax you paid to South Dakota's rate. If you picked up materials from a supplier outside South Dakota and they charged less than 4.2% sales tax, you owe **the difference** in use tax.
- **Don't forget local taxes:** Many South Dakota cities have their own municipal sales and use tax. You'll need to factor those in, too.
- **Owner furnished materials:** It's easy to assume that if you didn't buy it, it's not your responsibility. But, if your customer supplies materials and doesn't have documentation that tax was paid, you are responsible for the use tax.
- **Services:** Always check the taxability of services you outsource.

The best way to stay compliant is to keep clear documentation. Track your purchases to make sure you can show whether sales tax was paid on equipment, materials, and services **stored, used or consumed in South Dakota**.

Still have questions? Check out the [CET guide](#) or call the Business Tax Division at (800) 829-9188, Option 1.



Buffer Strip Deadline Approaching

Buffer Strip Deadline: October 15

South Dakotans who own land with eligible riparian buffer strips have until **October 15** to apply for a property tax incentive. Applications are submitted to the [Director of Equalization](#) in the county where the property is located. Eligible applicants will receive tax relief for their 2025 assessment--taxes payable 2026.

To be eligible, applicants must meet the following requirements:

- Land must meet the criteria for agricultural classification for purposes of taxation.
- Only land that is adjoining qualified lakes and streams is eligible to be enrolled in the program. Maps of all qualified lakes and streams for every county can be accessed at:
<https://sdgis.sd.gov/portal/apps/webappviewer/index.html?id=7175e38fcdbd43b59f952fbf772cab93>
- A Board of County Commissioners, by resolution, may add qualifying lands not included in the link above.
- The land must consist of existing or planted perennial vegetation.
- The buffer strip has to be a minimum of 50 feet wide and can be a maximum of 120 feet wide. The measurement starts at the top of the bank or where the vegetation starts, whichever is closer to the water.
- The vegetation cannot be harvested or mowed before July 10. A minimum of 4 inches of vegetation must be maintained at all times.
- The land cannot be grazed during the months of May through September.

Please note that landowners must apply annually to receive this incentive.

To complete an application, [click here](#).

Per SDCL [10-6-116](#), landowners may receive a reduction in property value of 50 percent of any eligible riparian buffer strip. The law specifies 575 lake listings and 11,000 miles of streams that are eligible.

Property Tax Relief Programs

Did you know about these relief programs? The application deadline is November 1, for the Disabled Veteran Exemption and the Paraplegic Veteran Property Tax Exemption.

Disabled Veteran Exemption

SDCL 10-4-40

Property must be owned and occupied by a veteran rated as permanently and totally disabled as the result of a service-connected disability. Un-remarried widows/widowers may be eligible.

The approved exemption remains until the property is transferred or sold.

First \$200,000 of valuation exempted from taxation.

Deadline: November 1

Contact your County Director of Equalization for more information.

Freeze on Assessments for Disabled and Senior Citizens

SDCL 10-6A

Individual must be 65 years of age or legally disabled and own and occupy the property or retain a life estate. Un-remarried widows/widowers may also be eligible.

Prevents the homeowner's property from increasing in value for tax purposes. Income limits apply.

Deadline: April 1

Contact your County Treasurer for more information.

Paraplegic Veteran Property Tax Exemption

SDCL 10-2-24.10

Property must be owned and occupied by a paraplegic veteran. Un-remarried widows/widowers are also eligible.

Once approved, the exemption remains until the property is transferred or sold.

Exempts a paraplegic veteran's property from all property taxes.

Deadline: November 1

Contact your County Director of Equalization for more information.

Municipal Property Tax Reduction for the Elderly and Disabled

SDCL 10-6B

Only available to Rapid City residents. Income limits apply.

Reduces your city property taxes the year following your application.

Contact the Pennington County Treasurer if you live in Rapid City and need more information.

Homestead Exemption

Delays the payment of property taxes until the property is sold. Taxes become a lien on the property, interest and penalties will apply.

Individual must be 70 years of age to qualify (SDCL 43-31-1).

Qualified applicants can apply for a lower interest rate (SDCL 10-6C).

Deadline: April 1

Contact your County Treasurer for more information.

Property Tax Reduction Program for Paraplegics

SDCL 10-4-24.11

Property must be owned and occupied by a paraplegic or individual with the loss of use of both lower extremities. Un-remarried widows/widowers are also eligible.

Allows for a reduction in the property taxes due using a graduated income scale. Income limits apply.

Deadline: April 1

Contact your County Treasurer for more information.

Upcoming Tax Seminars

Date	Topic	Location
Dec 2	Basic Sales Tax	Virtual
Dec 4	Basic Contractor's Excise Tax	Virtual

All seminars are free to attend. To register, request a presentation, or view a complete schedule, click [here](#).

