

SUMMER
2020

SOUTH DAKOTA
DEPARTMENT OF REVENUE
NEWSLETTER



Message From Secretary Jim Terwilliger

Greetings from the South Dakota Department of Revenue!

Although COVID-19 may have changed your summer plans, hopefully you were able to get out and enjoy other activities you may not have done otherwise!

As the 80th Annual Sturgis Motorcycle Rally wrapped up, we saw new vendors and new tourists in the area that brought revenue to our state. Although our business hours located at our temporary Sturgis office looked different this year, we were still able to attend and partner with vendors from across the United States as well as local governments to ensure tax matters were handled as usual. For specific revenue and vendor statistics, please see pages 2-3.

This edition of our newsletter has many exciting new things including a new app brought to you by the South Dakota Lottery.

Page 4 covers information regarding how county

Directors of Equalization visited workshops over the course of the summer in learning how to properly assess ag land adjustments in the state. More information on how individuals can apply can be found on this page.

If you are selling a motor vehicle, trailer or semi at a public auction, please see page 5 for your Revenue responsibilities.

Visit page 6 for common errors we see in holding a motor fuel license. We've also laid out due dates and upcoming seminars that may interest you.

In recognition of the amazing staff we have here at the Department of Revenue, our last page of the newsletter includes the dedicated years they've contributed to the state.

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

South Dakota Lottery On The Go!

Are you wondering if your lotto dreams are about to come true? You can find out in a matter of seconds with the South Dakota Lottery's mobile app's new ticket scanner!

Now players who use the mobile app can use the scanner to see if their lotto tickets are a big winner, small winner or non-winner. This applies to all of the games in our lotto lineup, so you can view your results on the go!

To scan your tickets, simply open the mobile app then select the ticket scanner from the home page. From there, you just need to select lotto tickets and scan away.

The update is just the latest feature of the mobile app that takes Good Fun on the go! Players may also scan tickets to enter second chance drawings, view scratch game information, check the latest jackpot amounts and much more. The SD Lottery's mobile app is available on most Apple and Android devices.



INSIDE

SD Lottery On The Go

2020 Sturgis Motorcycle Rally

Ag Adjustments

Public Auction Responsibilities

Suppliers, Importers & Exporters, Oh My!

Due Dates

Education Calendar

DOR Milestones

Technology Changes Made For the 2020 Sturgis Motorcycle Rally

The 80th Sturgis Motorcycle Rally officially came to an end on August 16th, 2020. This year the Department of Revenue had 26 staff members from 5 different offices working the Rally.

In a normal year, the Department would contact individuals personally at their vendor location to make sure the vendor had a sales tax license, knew the proper tax rates, and knew when and where to file and pay their sales taxes. Due to COVID-19, we had 4 staff members contact vendors by telephone from their home office, along with 4 staff members working in the field.

"The Department of Revenue's Business Tax Division looked for new ways to use technology that would make it easier for vendors," Revenue Supervisor Lori Haupt said. "For the first time this year, we added the ability to email a license card to a vendor and offer electronic filing and paying of sales tax for the Sturgis Rally through our online EPath system. In return, emailing licenses allowed us to extend pre-registration longer as there was no need for mailing time. By receiving their license cards online as well as filing and paying electronically, vendors didn't have to stand in line or leave their booth. Early numbers showed that approximately 50% of vendors chose to file and pay electronically for the first payment day," Haupt explained.

Generally, we would expect to see an increase for an anniversary year such as the 80th. The vendor count was down 22% from the previous year due to our circumstances. We licensed 784 vendors with 459 of those being inside Sturgis City Limits. 33% of these were new vendors this year, which is similar to previous years.

The next page offers a view of our 2020 Sturgis Motorcycle Rally Sales Tax numbers.

2020

Sturgis Motorcycle Rally

COLLECTIONS

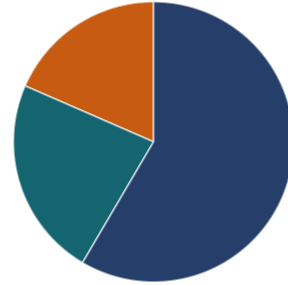
\$1.34 MILLION



6%

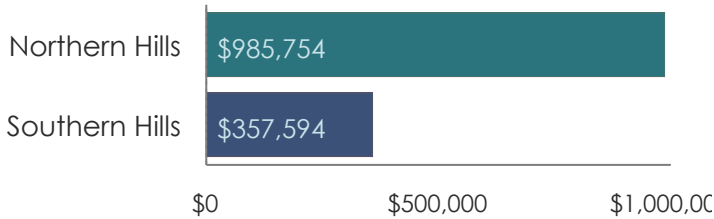
Above 2019

BY TAX TYPE

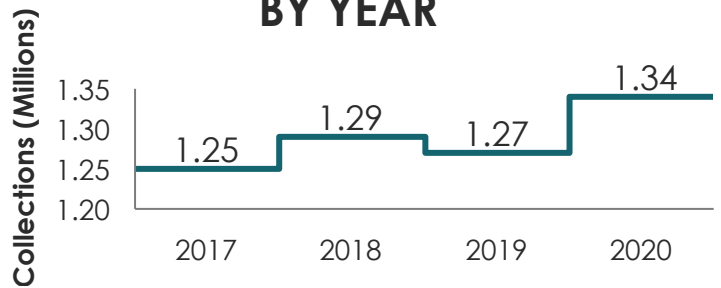


- State Sales Tax (58.5%) \$785,251
- Municipal Tax (23%) \$310,102
- Tourism Tax (18.5%) \$247,996

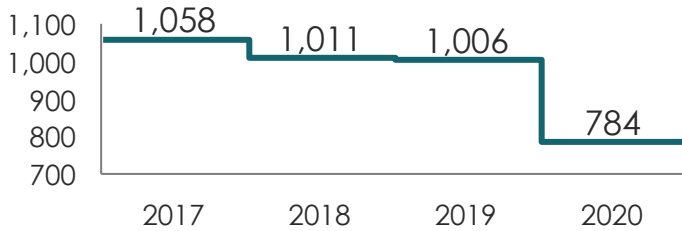
BY REGION



BY YEAR



BY YEAR



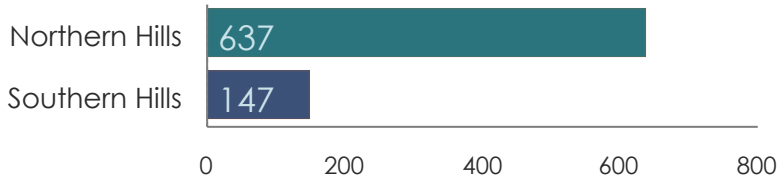
VENDORS

784

22%

BELOW 2019

BY REGION



AG LAND ADJUSTMENTS

The Property Tax Division recently completed several workshops across the state to educate county appraising staff on ag land adjustments

It has been a decade since the Productivity Methodology of assessing ag land was implemented. Since all counties are now fully operating under that system, the Ag Land Advisory Task Force and Legislature tasked the Department of Revenue to educate county officials on the proper use of ag land adjustments to fine-tune assessment anomalies.

State law allows ag adjustments based on one of eight factors that can affect the productivity of the land: location, size, soil survey statistics, terrain, topographical condition, climate, accessibility, or surface obstructions.

The Department of Revenue has defined and outlined the parameters of each factor in the guidance provided to counties, with the caveat that each county should create its own protocol to further define characteristics in their area.

Individuals can learn more about ag adjustments and request an adjustment by visiting the Department of Revenue's site at <https://dor.sd.gov/individuals/taxes/property-tax/#adjustments>.

When an individual completes a request for an ag land adjustment, the Director of Equalization in the county where the land is located will fill out an ag adjustment summary stating their decision on the individual's adjustment request.





PUBLIC AUCTION RESPONSIBILITIES

According to SDCL 32-3-58, any entity, including public auctions, that sells a motor vehicle, trailer, or semi-trailer is required to deliver a title to the purchaser within 45 days. Failure to comply is a Class 2 misdemeanor.

What if a public auction fails to deliver a title to the purchaser within 45 days of the purchase date?

A cease and desist order can be issued according to SDCL 32-6B-41.1. Failure to comply with a cease and desist order can result in a monetary penalty of a \$500 fine (SDCL 32-6B-41.7).

A public auction may contest a cease and desist order or a monetary penalty by requesting a hearing in writing to the Secretary of Revenue within 20 days of receiving notification of the order or penalty.

SDCL 32-6B-37.1 requires that public auctions maintain records of all vehicle sales to include the following:

1. The serial number or VIN of the vehicle
2. The year, make and model of the vehicle
3. The name and address of the vehicle owner
4. The name and address of the purchaser
5. The price for which the vehicle was sold

All these records must be maintained by the public

auction for 5 years.

SDAR 61:24:03:06 requires that prior to the consignment sale of any vehicle a public auction shall have in their possession and available for inspection the following items:

1. The SD title in the name of the cosigner
2. A completed and signed consignment sales contract
3. The vehicle odometer reading certified by the owner
4. A seller's permit

Following the sale, a copy of all these documents must be maintained by the Public Auction for 5 years. SDCL 32-6B-37.1 allows the Department of Revenue Dealer Inspectors to inspect all books, files, or records held by a Public Auction that pertain to the sale of any motor vehicle, trailer, or semi-trailer sold by a public auction.

Failure to maintain proper records or provide them to a dealer inspector can result in a cease and desist order or a monetary penalty pursuant to SDCL32-6B-41.7.

The public auction must announce at the sale and note on the bill of sale for a vehicle sold without a title that the vehicle is being sold for parts only. Customers purchasing a vehicle with a parts only bill of sale will only be able to obtain a junking certificate as an ownership document at the county treasurer's office.

Suppliers, Importers and Exporters, Oh My!



There are many types of motor fuel licenses; Suppliers, Importer/Exporter and Highway Contractors to name a few. The Department of Revenue has gathered the common errors made for these fuel types. To begin with, let's review the fuel license types mentioned.

A **Supplier** is a business that owns motor fuel or special fuel in the pipeline and terminal in South Dakota, authorizes the removal of this fuel from the terminal at the rack or is a licensed out of state supplier. They are also the one that owns fuel in the pipeline immediately before it is withdrawn at the terminal.

The **Importer** purchases or owns motor fuel or special fuel in another state or country and transports or delivers the fuel into South Dakota. The Exporter purchases the fuel in South Dakota and transports it to another state or country.

Due Dates

Tax Return	Due Date
September	10/20/2020
October	11/20/2020
November	12/21/2020

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.

September– S

November– T/U/V/W/X/Y/Z

**April and December are non-renewal months*

CONTACT US

SD Department of Revenue

445 E Capitol Avenue Pierre, SD 57501

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

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

A **Highway Contractor** is involved in the activity of highway construction work in South Dakota.

The most common types of errors for these are:

1. Errors in reporting due to poor record keeping. (All)
2. Not using bill of lading (BOL) as the main source document. For example, an invoice should not be substituted for this information. (Importer/Exporter, Supplier)
3. Not including non-taxable exports on returns. (Importer/Exporter, Supplier)
4. Incorrect reporting of product authorizations - a product authorization must occur before the rack and bill of lading must reflect the new supplier. (Supplier)
5. South Dakota is a tax at the rack state. Only transactions reported on the BOL for fuel that passes over the rack should be reported. Product Authorizations above the rack shouldn't be reported.

Find out more information, get step by step guides and discover answers to many of your questions under the Quick Navigation bar at <https://dor.sd.gov/businesses/taxes/motor-fuel/#highway>.

Upcoming Tax Seminars

DOR is excited to welcome back tax seminars beginning in October! Upon signup, DOR will notify you by email if seminars change due to COVID-19.

Date	Topic	Location
Oct 8	Basic Sales Tax	Watertown
Oct 8	Basic Contractor's Excise Tax	Watertown
Oct 27	Basic Sales Tax	Sioux Falls
Oct 27	Basic Contractor's Excise Tax	Sioux Falls
Oct 29	Basic Sales Tax	Rapid City
Oct 29	Basic Contractor's Excise Tax	Rapid City

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



For our 2020 department goals, we have taken some time to recognize our employees. Without our amazing staff, we wouldn't be able to provide the level of customer service we strive for to the citizens of the state.

Big 'Score' For DOR

Dedicating 20 years of employment to one place is a big milestone. This sparked our interest. For our 2020 Summer Newsletter, we set out to see how many of our amazing employees, here at the Department of Revenue, have reached this milestone.

We found that there are a total of 58 active employees who have worked a total of 20 or more years for the state of South Dakota, totaling 1,522 years! We would like to thank and congratulate each and every one for their years of service and

continuous efforts to serve you, South Dakota. Shown above are the DOR employees who have reached this milestone.

Enjoy Retirement!

DOR would like to acknowledge the amazing employees that have reached retirement in 2020. Thank you to Cheryl Krier, Starla Volk and Pilo Pena for their years of service to the Department! These three spent a good majority of their working careers to the state, totaling a combined 70 years of service. What an amazing accomplishment!

Thank You, All!

We cannot forget the rest of our hard working team here at DOR! With a total of 242 employees, there are a combined 2,743 years of service! Thank you, all!

