

SPRING

2024

SOUTH DAKOTA  
DEPARTMENT OF REVENUE

NEWSLETTER



## A Message From Secretary Michael Houdyshell

Greetings from the South Dakota Department of Revenue! With the beautiful spring season in full swing and the warm summer months just around the corner, the dedicated team at the Department of Revenue is diligently working on implementing the various new laws passed during the 2024 Legislative Session. We are delighted to report the successful conclusion of yet another productive legislative session.

We invite you to delve into informative pages 2 through 6 of this newsletter, where you will find detailed guidance and summaries of some of the bills that impact the Department of Revenue. These insights aim to keep you informed about the recent legislative changes and how they may affect you and your business.

On page 3, you will discover details about the upcoming municipal tax change scheduled to take effect in July. On that same page, find an in-depth

explanation of the three steps you must follow to secure your spot as a vendor at the 2024 Sturgis Rally.

In this edition of the newsletter, we shine a spotlight on Cottage Food Law, exploring important questions regarding your sales tax responsibilities when selling homemade food products. Be sure to turn to page 5 for valuable information that can help you properly navigate this law.

Exciting updates await you on page 6, including a feature on the new instant win ticket from the South Dakota Lottery, details on the thrilling second chance drawing, and information about obtaining commercial plates for hunting and fishing operations.

As always, our knowledgeable staff is here to assist you with any inquiries or support you may need. We trust that you will enjoy and find this spring edition of our newsletter both informative and engaging.

## INSIDE

Legislative Updates

Municipal Tax Rate Change

Sturgis Rally Vendor Applications

Due Dates

Cottage Food Law

Education Calendar

New Lottery Scratch Ticket

## SB 112

**Effective July 1, 2024**, Senate Bill 112 establishes a non-resident title fee.

[SB 112](#) requires anyone who titles a car, off-road vehicle, or boat but doesn't have a South Dakota driver's license to pay a \$100 surcharge.

The collected fee will be equally split between the county and state government.

**This law does not affect South Dakota residents.**



## Sales or Property Tax Refund for Senior & Disabled Citizens

South Dakota senior citizens and citizens with disabilities have until July 1 to apply for sales or property tax refunds under South Dakota's Tax Refund Program. Under the program, eligible individuals may receive a portion of the sales or property taxes they paid from the previous year if they meet the eligibility requirements.

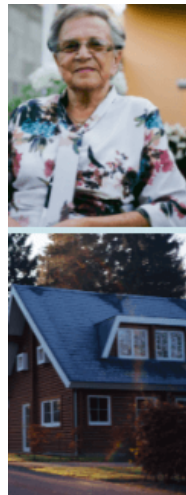
To be eligible for the sales tax refund, individuals must meet the following qualifications:

- Be a South Dakota resident during all of 2023;
- Be 65 years old on or before January 1, 2023, or disabled at any time during 2023; and
- Live alone and have a yearly income of \$16,038 or less OR live in a household whose members' combined income is \$21,692 or less.

To be eligible for the property tax refund on their home, individuals must meet the following qualifications:

- Be 65 years old on or before January 1, 2023, or disabled at any time during 2023; and
- Live alone and have a yearly income of \$16,038 or less OR live in a household whose members' combined income is \$21,692 or less.
- Owned the house you are now living in for at least three years OR you have been a resident of South Dakota for five years or more.

You may only receive either the sales tax refund or the property tax refund. The Tax Refund Office will calculate the refund for each tax, and you will receive whichever is greater. The deadline to apply for the program is July 1, 2024, and applications must be submitted by mail to the Tax Refund Office, 445 E Capitol Ave, Pierre, SD 57501-3185. Individuals interested in applying can also apply online at <https://sddor.seamlessdocs.com/f/2050> or download the application from the Department's website. Those who qualified in 2023 will receive an application in the mail.



**APPLY**

Sales & Property Tax

**REFUND**

For Elderly & Disabled

## Municipal Tax Rate Change

Beginning July 1, 2024, one South Dakota community will amend their current municipal tax rate.

The municipal tax change taking effect includes:

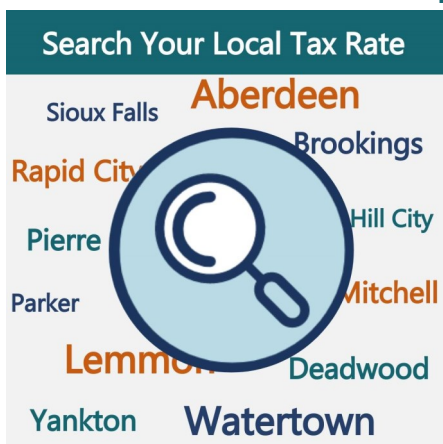
**Arlington, S.D.**, implementing a 1 percent municipal gross receipts tax on lodging accommodations, eating establishments, alcohol sales, and admissions.

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

The South Dakota Department of Revenue has municipal tax information bulletins available that list all municipal sales and use tax rates statewide, along with information on tribal sales and use and excise taxes.

To obtain a Municipal Tax Information bulletin, [download it on the Department of Revenue website](#) or contact the Department of Revenue at 1-800-829-9188.

## Sales Tax Rate Lookup



## Sturgis Rally Vendor Applications

### Step 1: Apply for a Temporary South Dakota Sales Tax License

All vendors must have a [Temporary South Dakota Sales Tax License](#) for selling or displaying a product or for providing services at the Sturgis Motorcycle Rally. **New applications must be completed each year.**

Businesses with a permanent South Dakota sales tax license, operating in a temporary location during the Sturgis Motorcycle Rally, will also need to apply for the [Temporary South Dakota Sales Tax License](#).

### [APPLY NOW](#)

### Step 2: Determine if You Need to Post a Bond

- First-time vendors must post a \$500 bond.
- Vendors who attended last year's rally and filed and paid their taxes on time, will not need to post a bond.
- Businesses that filed or paid their taxes after the due date last year, will need to post a bond. Contact the Department at [\(605\) 394-2332](#) to determine bond amount.
- Prior vendors, that did not attend last year, will need to post a \$500 bond.

Cash, cashier's check, money order, or credit card are accepted. There is a non-refundable processing fee of 2.45% to use a credit card.

- Bonds are held as a deposit and will be returned when the rally has ended, and the final return has been filed and proper taxes have been paid.

### Step 3: Send Application and Bond (if needed) to SD Department of Revenue

### Step 4: Receive Your Temporary South Dakota Sales Tax License Card and Information Packet

- If required, bond must be received before the license card can be emailed.

**Bring your license card with you** when you come to the rally.



## 911 Emergency Surcharge Rate Increase

**Effective July 1, 2024**, the 911 emergency surcharge rate increases to \$2.00.

All telecommunications service providers, wireless service providers, or Interconnected Voice over Internet Protocol service providers are responsible for collecting and remitting the 911 Emergency Surcharge.

The surcharge is \$2.00 per service user line per month.

- The surcharge does not apply to prepaid wireless services.
- The surcharge cannot be charged on more than 100

service lines per customer account billed per month.

Surcharges itemized on the customer's invoice are not subject to sales tax.

- If not itemized, the surcharge is subject to state and applicable municipal sales tax.



## Due Dates

Tax Return	Due Date
April	05/20/2024
May	06/20/2024
June	07/22/2024
July	08/20/2024

## 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.

**May**– H/I/O

**June**– K/L

**July**– M/N

*\*April and December are non-renewal months*

## What Can We Do For You Today?

[dor.sd.gov](http://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.



## HB 1068

**Effective July 1, 2024**, [House Bill 1068](#) allows disabled veterans to obtain standard issue county motor vehicle or motorcycle license plates instead of disabled veteran plates if the disabled veteran meets the requirements.

Standard County Plates



Standard County Motorcycle Plates



Check out the [605Drive webpage!](#)



Follow the South Dakota Department of Revenue on social media!





# Cottage Food Law & Sales Tax Responsibility

In 2022, the legislature passed HB 1322, a bill amending laws that impact homemade food products being sold from homes. Changes impact [SDCL 34-18](#). A big change is the law now allows for non-temperature-controlled foods, such as canned and dried goods, and not just baked goods. Another change is that the law allows individuals wishing to sell canned goods to take an online food safety course and get a certification that lasts five years. Before the law change, a third-party authority was required to test canned goods for food safety. These changes expand the home-produced food products that can be legally sold from home.

**The amended laws do not change a seller's tax responsibility.** Individuals selling homemade food products from their home are required to have a sales tax license. Items sold are subject to sales tax whether they are sold directly from the home, at a farmer's market, or at a temporary sales venue. All food products sold and received within South Dakota will have the state 4.2% sales tax rate applied. If the customer is receiving the food products within city limits, then the local municipal tax rate also applies up to an additional 2%.

Baked goods sold may also be subject to municipal gross receipts tax (MGRT). Most municipalities in South Dakota

have an additional 1% tax that applies to prepared foods sold for immediate consumption. Baked goods may or may not be subject to this additional tax based on how they are prepared before being sold and the intent for the sale. Unsliced breads, whole pies, and trays of baked goods generally do not fall within MGRT liability. However, individually packaged rolls, cake slices, and single pastries would typically be subject to the MGRT. Baked goods that are sold **and** transported for immediate consumption (e.g., wedding cake delivered to a reception hall) are considered catering which also falls within MGRT liability.

Lastly, food products sold at spectator events are also subject to a 1.5% tourism tax that is added on top of the state and possible municipal taxes. Spectator events include craft and vendor fairs, public expositions, rodeos, and sporting events. The tourism tax applies to any sale made while directly at the event even if the fulfillment does not occur during the event.

For more information, see the [Sales & Use Tax and Municipal Tax Guides](#), and the [Tourism Tax and Prepared Foods Tax Facts](#) or call the Department of Revenue Taxpayer Assistance helpline at 1-800-829-9188.

To register for a South Dakota sales tax license, please visit: <https://apps.sd.gov/rv23cedar/main/main.aspx>



## Hunting & Fishing Operations – Commercial Plates

The following information is being added to the Fishing & Hunting Services Tax Fact:

- Vehicles used for fishing or hunting guide services are required to be commercially licensed under [SDCL 32-9](#).

Commercial plates can be purchased from the treasurer's office in the county the business operates. For vehicles being used commercially on a temporary basis with a current non-commercial registration, a thirty-day permit may be purchased from the county treasurer or highway patrol. A temporary permit may be issued for as many thirty-day periods as the applicant requests.

Access all of DOR's tax facts [here](#).



### Win up to \$20,000

Our Lady Luck scratch ticket will have you singing happy tunes! This \$5 ticket has a \$20,000 top prize. Match any of your numbers to the winning numbers to win the prize for that number. You can also reveal a diamond symbol to instantly win the prize for that symbol. Reveal a 5X symbol to win 5 times the prize shown for that symbol. Reveal a "Luck" symbol to win all 15 prizes!

### Enter the Second Chance Drawing

Do you have a non-winning ticket? Enter your non-winning Lady Luck tickets for a chance to win a once-in-a-lifetime opportunity to a private concert for a winner and their guest in Pigeon Forge, Tennessee.

**Prizes:** 2 winners will receive a once-in-a-lifetime opportunity to a private concert with Martina McBride in Pigeon Forge, Tennessee. Winners will also be eligible for additional on-site prizes up to \$500,000.

**Enter by May 1, 2025**



### CONTACT US

#### SD Department of Revenue

445 E Capitol Avenue, Pierre, SD 57501

**Website:** <https://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

## Upcoming Tax Seminars

Be sure to check our [website](#) for potential reschedule dates.



<u>Date</u>	<u>Topic</u>	<u>Location</u>
May 15	Importer/Exporter Supplier Fuel Tax	Zoom
June 4	Basic Sales Tax	Zoom
June 6	Basic Contractor's Excise Tax Seminar	Zoom
July 23	Motor Carrier Confab	Zoom
August 13	Propane Fuel Tax	Zoom
September 4	Basic Sales Tax	Zoom
September 5	Basic Contractor's Excise Tax Seminar	Zoom
December 3	Basic Sales Tax	Zoom
December 5	Basic Contractor's Excise Tax Seminar	Zoom

[Seminars are free to attend. Click here to register, request a presentation, or view a complete schedule.](#)