



Summer
2024

SOUTH DAKOTA
DEPARTMENT OF REVENUE
NEWSLETTER



A Message From Secretary Michael Houdyshell

Greetings from the South Dakota Department of Revenue!

This edition will cover topics ranging from home inspections to video lottery establishments and much more. Find the full list of what's inside on page 2. We would like to introduce the newest member of the leadership team, Jason Evans, as the Deputy Secretary.

One event our entire team is heavily involved with is the Sturgis Motorcycle Rally. For those interested in getting a closer look at this year's event statistics and highlights, they can be found on page 3.

We spotlight our online and convenient options that allow our customers to interact with us electronically, keeping them out of line. Have you renewed your licensed motor vehicle at one of our twenty-one DMV Now Kiosks? Read more on page 4.

The South Dakota Lottery had a Sioux Falls resident win a \$300,000 Top Prize! Find out more on this story

on page 5.

Curious about video lottery establishments? By definition, a business may not be licensed as a video lottery establishment unless it is a bar or lounge licensed to sell alcoholic beverages for on-premises consumption. To find out more, visit the article on page 6.

Page 7 dives into all the publications and resources DOR has to offer. Our team continuously strives to enhance your customer experience by providing access to a broad range of resources specific to your business and personal needs.

Last but not least, page 8 holds a list of property tax relief programs to learn more about. There are several programs that have upcoming deadlines to apply.

As always, please contact our dedicated staff if we can provide you with any assistance. We hope you enjoy this Summer 2024 edition of our newsletter.

The Department of Revenue has a new Deputy Secretary

We are delighted to announce the addition of Jason Evans to our leadership team in the pivotal role of Deputy Secretary. Jason brings with him a wealth of experience and expertise that will undoubtedly enrich our team dynamic and propel us toward even greater success.

Jason has spent his entire career in public service with DOR, having served as a Senior Revenue Agent, Deputy Director of the Property and Special Taxes Division, and, most recently, Deputy Director of the Business Tax Division. Jason brings a wealth of experience to the position and the Department. He is looking forward to being on the leadership team. Jason officially started this new role for the Department of Revenue this June.



Audit Tips

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.

- If errors are found during an audit, consider filing amended tax returns for reporting periods outside of the audit period to correct the errors. If a follow-up audit occurs, you will be liable for interest and penalties for any uncorrected errors.
- Even if you close or sell your business, it's vital to retain your records. Business owners must keep their records for a minimum of three years or longer if they are depreciating capital assets. This includes paper and electronic records. If the records are stored electronically or in the cloud with a 3rd party vendor, make sure to download the records or maintain access to those records to meet our records requirements. If the account is closed with the vendor prior to properly downloading and saving, your records may be lost.



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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

2024 Sturgis Motorcycle Rally

The South Dakota Department of Revenue estimates tax collections from the 2024 Sturgis Motorcycle Rally were \$1,399,501. Taxes collected included state sales tax, tourism tax, municipal sales tax, and municipal gross receipts tax.

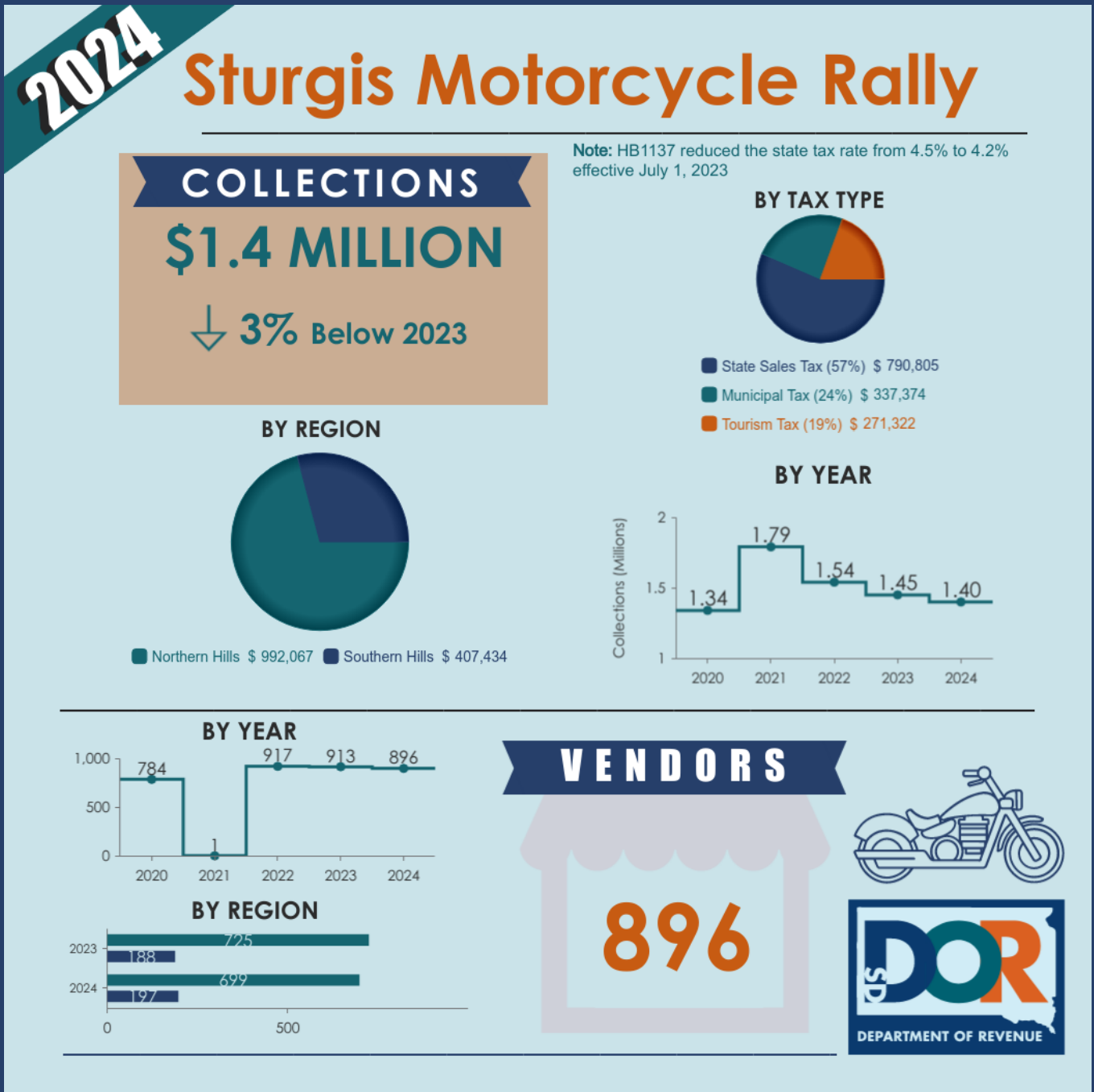
Revenues from temporary vendors in the Black Hills were down 3% compared to 2023. State sales tax accounted for most of the collections with \$790,805. At this time last year, the Department had collected \$818,784 in state sales tax. The Department's 2024 collections also included \$271,322 in state tourism tax

and \$337,374 in municipal taxes.

The 2024 rally had 896 temporary vendors, 17 less in attendance than 2023.

The Northern Black Hills, which includes Sturgis and all other communities in Meade and Lawrence counties, accumulated \$992,067 in tax from the 699 vendors present, an 8% decrease in tax collections from a year ago.

The Southern Black Hills, which includes Rapid City, Custer, Hill City, and Keystone, had 197 temporary vendors with \$407,434 in total tax collected, increasing 12% from 2023.



DMV Now Self-Service Terminals



Scan

Pay



Print

Visit one of our twenty-one DMV Now Kiosks, located across the state! All you need is two minutes, a debit or credit card, and a South Dakota ID to:

- Change addresses or update contact information,
- Renew a driver license,
- Renew a vehicle's registration,
- Report the sale of a vehicle, and
- Print a seller's permit.

Self-service terminals are conveniently located across the state, giving South Dakotans the ability to renew their registrations on the go. Vehicle owners print their registration cards and plate stickers on the spot in less than five minutes!

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

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

Renew in 5 easy steps!



1

Select Begin then review the requirements

Scan your SD driver's license or ID card

2



3

Verify your address and select the vehicles you wish to renew

Review the summary and make your payment

4



5

Take your registration card/stickers and your receipt.

CLICK HERE FOR
A COMPLETE LIST
OF LOCATIONS

Due Dates

Tax Return	Due Date
August	09/20/2024
September	10/21/2024
October	11/20/2024

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.

September – S

November – T/U/V/W/X/Y/Z

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

Sioux Falls Resident Wins \$300,000 Top Prize

Barbara Wipf was in for a pleasant surprise when she decided to scan a ticket that she thought was a non-winner.

The Sioux Falls resident became the South Dakota Lottery's latest top prize winner when she claimed a \$300,000 top prize for the 100X scratch ticket. Barbara purchased the winning ticket at the Hy Vee Gas located on Marion and 26th in Sioux Falls.

Barbara noted that she was unsure if her ticket was a winner, but decided to scan her ticket at the retail location anyway. Much to her delight, the retailer terminal indicated that she needed to visit a SD Lottery validation center to claim her prize.

Barbara also noted that the winning number that helped her win the top prize was 29, which is the same day as her husband Keith's birthday.

Barbara noted that she plans to take her kids and grandchildren to Disney World with a portion of her prize money.



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Follow us on social media @SDRevenue

Home Inspections

In this article, we will review the taxability of home inspection services, when South Dakota sales tax applies to these services, and how to report the sales tax collected from the service on a sales tax return.

Do you need to have a sales tax license to provide home inspection services in South Dakota?

In South Dakota, any business or person that creates a physical presence in the state and is providing services is required to be licensed for the collection and remittance of sales tax. If you are providing services inside the state of South Dakota, you are required to have a sales tax license to collect and remit sales tax on charges for those services.

How does sales tax apply to services?

The taxability of a home inspection service is based on the location of the property being inspected. The tax rate to be collected is based on the state tax rate plus the appropriate municipal tax rate of the property. The person or business that is providing the service needs to be aware of where the property is located so the appropriate municipal sales tax can be collected.

How is the tax collected reported?

Service providers who have a sales tax license must file a sales tax return. Both the state sales tax and municipal sales tax are reported on the same sales tax return and one payment is accepted for all sales tax that is due. Detailed instructions on filing and paying, can be found at: <https://dor.sd.gov/media/rafj52cn/epath-file-a-return-sales-and-contractors-excise-tax-2014-08.pdf>.

In conclusion, home inspections are subject to sales tax based on where the property being inspected is located. All sales must be reported on the sales tax return.

We hope that this article will provide answers or clarification to anyone that may be questioning the taxability of home inspections. We encourage anyone with additional questions to reach out to the Department. Those with additional questions can contact the Department of Revenue at (800)829-9188, call your local office, or utilize our chat function through our website, dor.sd.gov.





Video Lottery Establishments

By definition, a business may not be licensed as a video lottery establishment unless it is a bar or lounge licensed to sell alcoholic beverages for on-premises consumption. State law further defines a bar or lounge as an enterprise primarily maintained and operated for the selling, dispensing, and consumption of alcoholic beverages on the premises. Therefore, each video lottery licensed establishment must obtain its own sales tax license and its own on-sale alcoholic beverage license, even if there are multiple establishments in the same building. Each licensed establishment must also abide by all alcoholic beverage laws and video lottery laws.

South Dakota law limits the number of video lottery machines to no more than ten in any licensed establishment. Some video lottery machine operators are offering more than ten video lottery machines under one roof by creating multiple licensed establishments within the building.

In addition to any video lottery requirements for multiple establishments under one roof, several alcoholic beverage laws must be considered to ensure compliance under this scenario.

- Since the law requires selling and dispensing alcohol, each licensed establishment must maintain an inventory of alcoholic beverages and have point-of-sale capability. One bar area may not service multiple licensed establishments.
- The inventory of alcoholic beverages must be stored within each licensed establishment. There cannot be one common storage area or cooler to store the alcoholic beverages for all licensed establishments.
- Each licensed establishment may only receive alcoholic beverages directly from an alcoholic beverage wholesaler. Multiple licensed establishments under one roof may not order in bulk, share, or trade alcoholic beverages.
- Patrons of the licensed establishment cannot carry alcoholic beverages from one licensed establishment to another. Each licensed establishment must have controls in place to ensure alcoholic beverages do not leave the licensed premises where they were sold.

In short, the alcoholic beverage laws do not vary simply because there is common ownership of multiple licensed establishments under one roof. Each licensed establishment must be treated individually, just as if it were across town with different ownership.

Failure to comply with the alcoholic beverage laws may result in suspension or revocation of any alcoholic beverage licenses, and the loss of video lottery privileges.

For questions about alcoholic beverage laws, call the Department of Revenue at (800) 829-9188 ext. 1.

Questions about lottery laws may be directed to the South Dakota Lottery at (605) 773-5770.

DOR Online Publications and Resources

Here at the Department of Revenue, we provide a wide variety of resources specific to your needs.



DOR ONLINE PUBLICATIONS

DOR has a wealth of online publications and resources to help and inform you!



Annual Reports: Wondering where your tax dollars go or how much tax revenue is generated each year? Review years of reports online!



Brochures: Property tax relief program brochures explain the different relief programs and eligibility requirements.



Guides: Check out the DOR guides for detailed information about sales and use tax, municipal tax, and excise tax.



Newsletters: The DOR newsletter is educational and includes deadlines, timely issues, statistics, and department news. Read the newsletter but missed an issue? Several years of newsletters are on the DOR website.



TaxFacts: Learn how tax is applied to different industries, services, and products. Over 100 tax facts cover a range of topics, such as accountants, agriculture services, beauty salons, hotels, motor vehicles, prepared food, and veterinarians.

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.



Check out the [605Drive webpage!](http://605Drive.com)



FIND THESE PUBLICATIONS ONLINE AT [HTTPS://DOR.SD.GOV/](https://dor.sd.gov/)

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 3	Basic Sales Tax	Virtual
Dec 5	Basic Contractor's Excise Tax	Virtual

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

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



Sales Tax Rate Lookup