



Amusement Devices

<https://dor.sd.gov/> 1-800-829-9188

The purpose of this tax fact is to explain how South Dakota taxes apply to amusement devices. 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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What Qualifies as a Mechanical or Electronic Amusement Device?

A mechanical or electronic amusement device is any coin or bill operated:

- Pool table
- Foosball table
- Air hockey table
- Arcade game
- Shooting gallery game
- Dart board
- Pinball machine
- Jukebox

South Dakota Taxes and Rates	
State Sales and Use Tax – Applies to all sales or purchases of taxable products and service.	4.2%
Municipal Sales and Use Tax – Applies to all sales of products and services that are subject to the state sales tax or use tax if the purchaser receives or uses the product or service in a municipality that imposes a sales tax or use tax.	1 to 2%
Amusement Device Excise Tax – Applies to all qualifying coin or bill operated mechanical and electronic amusement devices.	4.2%

If one of the devices listed above can be operated by inserting a coin or bill, it qualifies, even if it can also be operated by other payment mechanisms, such as a credit card. If a device is not on the list above or cannot be operated by inserting a coin or bill, it does not qualify.

Registration of amusement devices is not required after July 1, 2021.

With the passage of SB 39 during the 2021 Legislative Session, owners and operators of mechanical or electronic amusement devices will no longer be required to register their machines with the Department of Revenue. As such, you will not be required to pay the \$12 annual registration fee or affix decals to your mechanical or electronic amusement devices.

Gross Receipts

Gross receipts received from the operation of qualifying mechanical or electronic amusement devices as defined above are subject to state special amusement excise tax only. You will continue to report the tax on your sales tax return.

Gross receipts received from the operation of amusement devices that are not listed above, or those that cannot be operated by inserting a coin or bill, are subject to state sales tax, plus any applicable municipal tax. Both the state and municipal sales taxes are reported on your sales tax return.

Tax Liability

Payment Types & Tax Liability			
Unit Type	Defined	Payment Type	Tax Liability
Pool Table, Foosball Table, Air Hockey Table, Arcade Game, Shooting Gallery Game, Dart Board, Pinball Machine, or Jukebox	Defined as mechanical or electronic amusement devices	Coins/Bills Only	4.2% Special Amusement Excise Tax
		Card, or Other Payment Method Only	4.2% State + Municipal Sales Tax
		Combination of Coins or Bills and Any Other Payment Method	4.2% Special Amusement Excise Tax
Other Amusement Devices/Machines	Not on list of defined mechanical or electronic amusement devices	Any Payment Method	4.2% State + Municipal Sales Tax

Examples:

- Ted's Grocery Store in Sioux Falls has a coin operated kiddie ride in the vestibule of their store.*
 - The coins removed from the unit are subject to sales tax and applicable municipal sales tax.
- Pete's Pub in Rapid City has a jukebox that allows patrons to select song selections using bills or coins.*
 - The receipts from this unit are subject to the 4.2% special amusement excise tax. If the unit allowed patrons to choose selections using only a smartphone or credit/debit card, the receipts would be subject to state sales tax and applicable municipal tax.
- Adam's Arcade in Aberdeen has units that accept tokens that are sold by the business.*
 - State sales tax and applicable municipal tax is due at the time of sale, regardless of when the tokens are used by the customer. The units also dispenses tickets, which the customer can use to exchange for prizes. The business is responsible for paying state sales tax and applicable municipal sales tax on the prizes when they are purchased.

Purchases and Repairs

The sale or lease of qualifying amusement devices listed on page one is subject to state sales tax only. Repair parts and labor for qualifying amusement devices listed on page one are subject to state sales tax only.

The sale, lease, or repair of any other amusement devices is subject to state sales tax, plus any applicable municipal sales tax.

Contact Us

If you have any questions, please contact the **South Dakota Department of Revenue**.

Call toll-free: 1-800-829-9188 (Option 1)

Business Tax Division Email: specialt@state.sd.us

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