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Boat Titling and Registration

December 2018

The purpose of this Tax Fact is to provide general guidelines to boat owners on how to register and title boats in South Dakota and how taxes apply to items and services purchased and sold. 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.

Boat Registration

Boats requiring registration are licensed annually under a staggered registration system. The month that an owner registers is determined by the first letter of the owner's last name or the first letter of a corporation or limited liability company's name.

- Application for registration and title, if needed, is made at the county treasurer's office of the applicant's residence. The county treasurer will issue the applicant a registration stating the assigned boat number, a description of the boat, and the name and address of the owner. The South Dakota Department of Revenue will issue a title if it is applied for.

⇒ The registration must be kept in the boat and available for inspection.

- When registering a boat that is not required to be titled, the registrant must submit proof to the county treasurer that sales tax was paid at the time of purchase.

South Dakota Taxes and Rates	
Motor Vehicle Excise Tax – Applies to the purchase of most motor vehicles.	4%
Boat Excise Tax – Applies to the purchase of most boats.	3%
State Sales Tax and Use Tax – Applies to all sales or purchases of taxable products and services.	4.5%
The following tax may apply in addition to the state sales tax:	
Municipal Sales Tax 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%

Trade-ins

Credit will be given for the value of the trade-in if a boat, watercraft, or boat trailer is traded toward the purchase of another boat, watercraft, or boat trailer.

- The boat excise tax will apply to the total purchase price of the boat, watercraft, or boat trailer, including any delivery charges, less the amount allowed for the trade-in.

Contact your County Treasurer within 45 days of purchase to pay tax, apply for title, and register your boat.

If you purchased a boat outside of South Dakota, proof of tax paid is required upon title application and you may have an additional tax obligation. Contact your County Treasurer to see if any additional tax is due.

Boat Sales or Purchases Tax, Titling, Licensing, and Registration

	Sales or Use Tax	Excise Tax	Titling	License and Registration	Description
Large Boats	No	Yes - 3%	Required	Required	A large boat is any boat over twelve feet in length or a motorboat, used or capable of being used as a means of transportation on water. SDCL 32-3A-2
Personal Watercraft	No	Yes - 3%	Required	Required	This includes jet skis, wave runners, and water scooters.
Seaplanes	No	No - State Aeronautics Tax	No	No	Contact the South Dakota Department of Transportation for more information.
Boat Trailers	No	Yes - 4%	Required	Required	
U.S. Coast Guard Documented Boats	No	Yes - 3%	No	Yes	
Other Watercraft	Yes	No	No	Yes (if over 12 feet)	This includes canoes, inflatable boats, kayaks, sailboards, and paddleboards.
Boat Accessories and Equipment	Varies	Varies	No	No	Boat accessories and equipment are subject to state and applicable municipal sales or use tax when acquired after the initial purchase of the boat. If installed on the boat at initial purchase, boat excise tax applies. See the Boat Sales, Purchases, Rentals, Repair, and Services Tax Fact .

Nonresident Boat Registration

A boat must be registered in South Dakota if it is in the state for the more 60 days; or it is docked in a marina facility controlled by the State for a contract period of more than 60 days.

Sales Tax Exempt Entities

Accredited schools, non-profit hospitals, approved relief agencies, and government entities are exempt from boat excise tax and sales and use tax.

- To learn more about exempt entities, see the [Exempt Entities Tax Fact](#).

Out of State Purchases

South Dakota excise tax is due on the purchase price, including delivery charges, of large boats, personal watercraft, or boat trailers purchased out-of-state. State and applicable municipal sales or use tax is due on boats delivered to South Dakota if the boat is exempt from the excise tax.

- Credit will be given for tax legally paid to another state. If the tax paid to that state is equal to or greater than the tax due in South Dakota, no additional tax is due. If the tax paid is less than South Dakota taxes, the difference will be due.
 - ⇒ A copy of the invoice must be provided to the county treasurer to document the purchase price and all taxes paid.
- Application for title and registration is made to the county treasurer's office of the applicant's residence. The county treasurer will issue the applicant a registration stating the assigned boat number, a description of the boat, and the name and address of the owner. The registration must be kept in the boat and available for inspection.
- If a boat must be registered, but not titled, proof that sales or use tax was paid must be provided to the county treasurer at the time of registration.
- If a boat or boat trailer is delivered by a South Dakota dealer or a transportation company hired by the purchaser to a location outside of South Dakota, South Dakota tax does not apply.

Examples:

1. *John Doe from Yankton, SD purchases a 20 foot boat with a motor and a boat trailer in Norfolk, NE and brings it back to South Dakota. He is not charged any Nebraska tax at the time of purchase.*
 - John Doe would take his purchase documents to the county treasurer's office to tax, title, and register the boat and trailer. He will pay 3% boat excise tax on the boat and motor and 4% motor vehicle excise tax on the trailer.
2. *Jane Deer from Vermillion, SD purchases a canoe from an out of state dealer. The dealer charges her out of state sales tax.*
 - Jane owes South Dakota use tax on the purchase price of the canoe. South Dakota will grant reciprocity for out of state taxes paid that are equal to or greater than the South Dakota tax due if proper documentation is submitted.

Contact Us

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

Call toll-free: 1-800-829-9188

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

Motor Vehicle Division Email: motorv@state.sd.us

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

Mailing address and office location: South Dakota Department of Revenue
445 East Capitol Ave
Pierre, SD 57501