

AN ACT

ENTITLED, An Act to revise certain provisions regarding exemptions from sales and use taxation of farm machinery, attachment units, and irrigation equipment used exclusively for agricultural purposes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 10-45-3.4 be amended to read as follows:

10-45-3.4. There are exempted from the provisions of this chapter and the tax imposed by it, gross receipts from the sale of the following:

- (1) Parts and repair services on farm machinery, attachment units, and irrigation equipment used exclusively for agricultural purposes which are exempt from the tax imposed by this chapter pursuant to § 10-45-3.5, if the part replaces a farm machinery, attachment unit, or irrigation equipment part assigned a specific or generic part number by the manufacturer of the farm machinery, attachment unit, or irrigation equipment; and
- (2) Maintenance items and maintenance services used on farm machinery, attachment units, and irrigation equipment used exclusively for agricultural purposes which are exempt from the tax imposed by this chapter pursuant to § 10-45-3.5.

Section 2. That § 10-45-5 be amended to read as follows:

10-45-5. There is imposed a tax at the rate of four percent upon the gross receipts of any person from engaging or continuing in any of the following businesses or services in this state: abstracters; accountants; ancillary services; architects; barbers; beauty shops; bill collection services; blacksmith shops; car washing; dry cleaning; dyeing; exterminators; garage and service stations; garment alteration; cleaning and pressing; janitorial services and supplies; specialty cleaners; laundry; linen and towel supply; membership or entrance fees for the use of a facility or for the right to purchase tangible personal property, any product transferred electronically, or services; photography; photo

developing and enlarging; tire recapping; welding and all repair services, except repair services for farm machinery, attachment units, and irrigation equipment used exclusively for agricultural purposes; cable television; and rentals of tangible personal property except leases of tangible personal property between one telephone company and another telephone company, motor vehicles as defined pursuant to § 32-5-1 leased under a single contract for more than twenty-eight days and mobile homes. However, the specific enumeration of businesses and professions made in this section does not, in any way, limit the scope and effect of the provisions of § 10-45-4.

Section 3. That § 10-45-5.2 be amended to read as follows:

10-45-5.2. The following services enumerated in the Standard Industrial Classification Manual, 1987, as prepared by the Statistical Policy Division of the Office of Management and Budget, Office of the President, are specifically subject to the tax levied by this chapter: metal mining services (group no. 108); coal mining (major group 12); nonmetallic minerals (except fuels) services (group no. 148); service industries for the printing trade (group no. 279); coating, engraving and allied services (group no. 347); communication, electric and gas services (division E except group nos. 483, 494 and 495); hotels, motels, and tourist courts (group no. 701); rooming and boarding houses (group no. 702); camps and recreational vehicle parks (group no. 703); personal services (major group 72); business services (major group 73); automotive repair, services, and parking (major group 75); miscellaneous repair services (major group 76), except repair services for farm machinery, attachment units, and irrigation equipment used exclusively for agricultural purposes; amusement and recreation services (major group 79); legal services (major group 81); landscape and horticultural services (group no. 078); engineering, accounting, research, management, and related services (major group 87, except industry no. 8733); title abstract offices (group no. 654); consumer credit reporting agencies, mercantile reporting agencies, and adjustment and collection agencies (group no. 732); real estate agents and managers (group no. 653); funeral service and crematories (group no. 726), except

that purchases of goods or services with money advanced as an accommodation are retail purchases and are not includable in gross receipts for funeral services and fees paid or donated for religious ceremonies are not includable in gross receipts for funeral services; loan brokers (industry no. 6163); repair shops and related services, not elsewhere classified (industry no. 7699) but only locksmiths and locksmith shops; and floor laying and other floor work not elsewhere classified (industry no. 1752). In addition, the following services are also specifically subject to the tax levied by this chapter: livestock slaughtering services; dog grooming services; airplane, helicopter, balloon, dirigible and blimp rides for amusement or sightseeing; the collection and disposal of solid waste; and all appraiser's services. The services enumerated in this section may not be construed as a comprehensive list of taxable services but rather as a representative list of services intended to be taxable pursuant to the provisions of this chapter.

Section 4. That § 10-46-17.6 be amended to read as follows:

10-46-17.6. There are exempted from the provisions of this chapter and the tax imposed by it, the use of the following:

- (1) Parts and repair services on farm machinery, attachment units, and irrigation equipment used exclusively for agricultural purposes which are exempt from the tax imposed by this chapter pursuant to § 10-46-17.7, if the part replaces a farm machinery, attachment unit, or irrigation equipment part assigned a specific or generic part number by the manufacturer of the farm machinery, attachment unit, or irrigation equipment; and
- (2) Maintenance items and maintenance services used on farm machinery, attachment units, and irrigation equipment used exclusively for agricultural purposes which are exempt from the tax imposed by this chapter pursuant to § 10-46-17.7.

Section 5. That § 10-46E-5 be amended to read as follows:

10-46E-5. Farm machinery, attachment units, and irrigation equipment, other than replacement

parts, sold at public auction shall be taxed pursuant to § 10-46E-1 without regard to its intended use.

Section 6. That § 10-46E-13 be amended to read as follows:

10-46E-13. The amount of any use tax imposed with respect to the sale or lease of farm machinery, attachment units, and irrigation equipment used exclusively for agricultural purposes shall be reduced by the amount of any sales, use, or gross receipts tax previously paid by the taxpayer with respect to the property on account of liability to another state or its political subdivisions. If the sales, use, or gross receipts tax of the other state is less than the tax of this state, the taxpayer is liable for the payment of the balance to this state. However, no credit may be given under this section if that state does not reciprocally grant a credit for taxes paid on similar tangible personal property.

An Act to revise certain provisions regarding exemptions from sales and use taxation of farm machinery, attachment units, and irrigation equipment used exclusively for agricultural purposes.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1019

\_\_\_\_\_  
Chief Clerk

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\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

House Bill No. 1019  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

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Received at this Executive Office this \_\_\_\_\_ day of \_\_\_\_\_ ,

20\_\_\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor

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The attached Act is hereby approved this \_\_\_\_\_ day of \_\_\_\_\_ , A.D., 20\_\_\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,  
ss.

Office of the Secretary of State

Filed \_\_\_\_\_ , 20\_\_\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State