



2022 South Dakota Legislature

Senate Bill 114

Introduced by: **Senator Herman Otten**

1 **An Act to provide a refund for the contractor's excise tax for certain residential**
 2 **housing projects.**

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

4 **Section 1. That chapter 10-46A be amended with a NEW SECTION:**

5 The terms used in this chapter mean:

6 (1) "Affordable Housing," any new single-family home sold for a price that does not
 7 exceed the purchase price limit established by the housing authority as of the date
 8 of the sale;

9 (2) "Department," the Department of Revenue;

10 (3) "Eligible homebuyer," any individual who meets the income limits established by
 11 the housing authority as of the date of the sale;

12 (4) "Homebuilder," any prime contractor with a valid contractor's excise tax license
 13 that is engaged in the business of constructing residential housing;

14 (5) "Housing authority," the South Dakota Housing Development Authority;

15 (6) "Single-family home," residential housing consisting of one dwelling unit
 16 constructed by a homebuilder; and

17 (7) "Secretary," the secretary of the Department of Revenue.

18 **Section 2. That chapter 10-46A be amended with a NEW SECTION:**

19 An eligible homebuyer who has purchased from a homebuilder a single-family
 20 home that qualifies as affordable housing may apply to the department for a refund of
 21 contractor's excise taxes imposed and paid under chapter 10-46A for the construction of
 22 the single-family home. The application must be submitted on forms prescribed by the
 23 secretary and be supported by such documentation as the secretary may require.

24 **Section 3. That chapter 10-46A be amended with a NEW SECTION:**

1 An application for refund may be submitted to the department no earlier than sixty
2 days after the date of the closing on the purchase of the single-family home and no later
3 than one hundred eighty days after the closing date.

4 **Section 4. That chapter 10-46A be amended with a NEW SECTION:**

5 If the application is submitted within the period prescribed in section 3 and if the
6 application contains the requisite information and documentation, the department shall
7 refund the contractors excise tax to the homebuyer.

8 **Section 5. That chapter 10-46A be amended with a NEW SECTION:**

9 The board of commissioners of the housing authority shall promulgate rules,
10 pursuant to chapter 1-26, establishing eligible homebuyer income limits and single-family
11 home purchase price limits for each county in the state.

12 **Section 6. That chapter 10-46A be amended with a NEW SECTION:**

13 The secretary shall promulgate rules, pursuant to chapter 1-26, establishing
14 procedures for applying for a refund.