

AN ACT

ENTITLED, An Act to revise the exemption of direct mail postage and to define direct mail for certain tax purposes.

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

Section 1. That § 10-45-94 be amended to read as follows:

10-45-94. There are hereby exempted from the provisions of this chapter and the computation of the tax imposed by it, the gross receipts received by a direct mail service for the cost of United States postage paid by the direct mail service if the cost of postage, including any markup that is reasonable and customary in the seller's industry, is listed by the direct mail service as a separate line item on the customer's bill.

For the purposes of this section, a direct mail service is any business that prepares direct mail.

Section 2. That chapter 10-45 be amended by adding thereto a NEW SECTION to read as follows:

For the purposes of this chapter, the term, direct mail, means any printed material delivered or distributed by United States mail or other delivery service to a mass audience or to addressees on a mailing list provided by the purchaser or at the direction of the purchaser if the cost of the items are not billed directly to the recipients. The term includes tangible personal property supplied directly or indirectly by the purchaser to the direct mail seller for inclusion in the package containing the printed material. The term does not include multiple items of printed material delivered to a single address.

Section 3. That subdivision (4) of § 10-45-1 be amended to read as follows:

(4) "Delivery charges," charges by the retailer for preparation and delivery to a location designated by the purchaser of tangible personal property, any product transferred electronically, or services including transportation, shipping, postage, handling, crating,

and packing. The term does not include postage for direct mail;

Section 4. That subdivision (3) of § 10-46-1 be amended to read as follows:

- (3) "Delivery charges," charges by the retailer for preparation and delivery to a location designated by the purchaser of tangible personal property, any product transferred electronically, or services including transportation, shipping, postage, handling, crating, and packing. The term does not include postage for direct mail;

Section 5. That ARSD 64:06:01:69 be repealed.

An Act to revise the exemption of direct mail postage and to define direct mail for certain tax purposes.

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I certify that the attached Act originated in the

SENATE as Bill No. 29

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

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

Attest:

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

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

Attest:

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

Senate Bill No. 29  
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