

State of South Dakota

EIGHTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2011

400S0241

SENATE BILL NO. 39

Introduced by: The Committee on Taxation at the request of the Department of Revenue and Regulation

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding what organizations
2 qualify for an exemption from sales tax as a relief agency or a religious educational
3 institution.

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

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

6 10-45-10. There are hereby specifically exempted from the provisions of this chapter and
7 from the computation of the amount of tax imposed by it, the gross receipts from sales of
8 tangible personal property, any product transferred electronically, and services to the United
9 States, to the State of South Dakota or to any other state of the United States or the District of
10 Columbia if the other state provides a reciprocal exemption for South Dakota, to public or
11 municipal corporations of the State of South Dakota or of any other state of the United States
12 or the District of Columbia if the other state provides a reciprocal exemption to South Dakota
13 public or municipal corporations, to any nonprofit charitable organization maintaining a
14 physical location within this state which devotes its resources exclusively to the relief of the
15 poor, distressed or underprivileged, and has been recognized as an exempt organization under



1 § 501(c)(3) of the Internal Revenue Code, or to any Indian tribe.

2 Section 2. That § 10-45-14 be amended to read as follows:

3 10-45-14. There are specifically exempted from the provisions of this chapter and from the
4 computation of the amount of tax imposed by it, the gross receipts from sales of tangible
5 personal property, any product transferred electronically, and services to and for use by religious
6 educational institutions, private educational institutions currently recognized as exempt under
7 section 501(c)(3) of the Internal Revenue Code as in effect on January 1, 1983, and nonprofit,
8 charitable hospitals when purchases are made by authorized officials, payment made from the
9 institution funds and title to the property retained in the name of such institution. For the
10 purposes of this section, a private educational institution and religious educational institution
11 shall be defined as an institution currently recognized as exempt under section 501(c)(3) of the
12 Internal Revenue Code as in effect on January 1, 1995, maintaining a campus physically located
13 within this state; and accredited by the South Dakota Department of Education or the North
14 Central Association of Colleges and Schools.

15 This exemption does not extend to sales to or purchases of tangible personal property or any
16 product transferred electronically for the personal use of officials, members or employees of
17 such institutions or to sales to or purchases of tangible personal property or any product
18 transferred electronically used in the operation of a taxable retail business.

19 The exemption provided in this section does not, in any manner, relieve the institution from
20 the payment of the additional and further license fee imposed on the registration of motor
21 vehicles.

22 ~~All institutions~~ Each institution claiming this exemption shall prepare and maintain a list of
23 all purchases on which the exemption was claimed, fully itemized, showing name and address
24 of vendors, description of property purchased, date or dates of purchase, purchase price, and

1 brief explanation of use or intended use.