

# State of South Dakota

EIGHTY-SIXTH SESSION  
LEGISLATIVE ASSEMBLY, 2011

400S0166

## SENATE BILL NO. 41

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

1 FOR AN ACT ENTITLED, An Act to define the term, sale at retail, for the purpose of  
2 determining what constitutes gross receipts of a telecommunications company subject to the  
3 telecommunications gross receipts tax.

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

5 Section 1. That chapter 10-33A be amended by adding thereto a NEW SECTION to read  
6 as follows:

7 The term, sale at retail, as used in this chapter, includes:

- 8 (1) The sale of telecommunications services by a telecommunications company to a  
9 consumer;
- 10 (2) The sale or provision of prepaid calling cards or prepaid minutes by a  
11 telecommunications company to a consumer; and
- 12 (3) The sale or provision of prepaid calling cards or prepaid minutes by a  
13 telecommunications company to any retailer if the responsibility to provide  
14 telecommunication services to the consumer using the prepaid calling cards or  
15 prepaid minutes remains with the telecommunications company that sold or provided



1           the calling cards or minutes to the retailer.

2           Sale at retail does not include special access or toll-free incoming calls or the sale of any  
3 telecommunications service by a telecommunications company to another telecommunications  
4 company if the service is resold or becomes a component part of the sale by the second  
5 telecommunications company.

6           Section 2. That § 10-33A-3 be amended to read as follows:

7           10-33A-3. The term, gross receipts, as used in this chapter, includes only revenue of a  
8 telecommunications company from the sale at retail of intrastate and interstate  
9 telecommunications services. ~~Sale at retail does not include special access or toll-free incoming  
10 calls or the sale of any telecommunications service by a telecommunications company to another  
11 telecommunications company if the service is resold or becomes a component part of the sale  
12 by the second telecommunications company.~~ Any hospital, hotel, motel, or place that provides  
13 temporary accommodations selling telecommunications services to its patients or guests is not  
14 a telecommunications company for the purposes of this chapter.