

South Dakota

Department
of
Revenue

SOUTH DAKOTA DEPARTMENT OF REVENUE
2017 ANNUAL REPORT

Front and back cover photos taken by Department of Revenue Senior Litigation Counsel John Richter

The FY2017 Department of Revenue Annual Report is available in the “publications” section on the department’s website at dor.sd.gov. The online report will be considered the most up-to-date and accurate version. Any corrections or modifications made to the report after the print version is issued will be noted in the online version on this page, along with a description of the correction or update.

State (SDCL 20-13) and federal (Title VI of the Civil Rights Act of 1964, the Rehabilitation Act of 1973 as amended and the Americans with Disabilities Act of 1990) laws require that the Department of Revenue provides services to all people without regard to race, color, creed, religion, sex, disability, ancestry, or national origin. The South Dakota Department of Revenue 2017 Annual Report is written and designed to make information accessible to the general reader. One hundred seventy-five copies of this document were printed at a cost of \$5.15 per document.

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A Message from Secretary Gerlach



"As of Jan. 1, 2018, our litigation is pending with the U.S. Supreme Court, and we have received the support of more than 35 states across the nation, as well as several of our partners in the tax industry as we attempt to maintain tax fairness for our main street businesses."

To the Honorable Governor Dennis Daugaard, the South Dakota Legislature, and my fellow South Dakotans,

I am pleased to report a truly successful year for the Department of Revenue. Fiscal Year 2017 featured a great deal of accomplishments throughout the department as we continue our mission to partner with stakeholders and provide customer-oriented, fair, and reliable revenue administration.

A major part of our successful year was several tax collection agreements with prominent remote sellers. As our economy continues to evolve, collecting tax from remote sellers is essential in maintaining the state's broad tax base and low tax burden.

Unfortunately, the taxation of remote sellers is no easy task. Because of this, South Dakota is at the national forefront of this issue through litigation related to 2016's Senate Bill 106. As of Jan. 1, 2018, our litigation is pending with the U.S. Supreme Court, and we have received the support of more than 35 states across the nation, as well as several of our partners in the tax industry as we attempt to maintain tax fairness for our main street businesses.

Our year also included the implementation of several new laws as a result of the 2017 legislative session. We experienced a smooth implementation of 2017's Senate Bill 36, which changed filing and payment due dates for many of our taxpayers. We also partnered with members of the alcohol industry for a successful launch of several alcohol laws.

The department also incorporated some internal improvements during Fiscal Year 2017, which will aid our partnerships with customers. All levels of our staff collaborated to develop the department's new strategic plan, Revenue 2020. The new strategic plan covers everything from the use of data to strengthening the department's relationships, and we look forward to the positive impact these initiatives will bring.

Our staff's work on the new strategic plan is another example of their dedication and talent. Our staff is truly full of servant leaders who are committed to assist our customers in a professional and dependable way.

I hope you find this report informative and useful. I look forward to another successful year as we continue to partner with our stakeholders to best serve South Dakotans.

STRATEGIC PLAN

SOUTH DAKOTA REVENUE 2020

Throughout Fiscal Year 2017, all levels of DOR staff collaborated to develop the department's new strategic plan, South Dakota Revenue 2020. Revenue 2020 focuses on four strategic directions, and establishes a new vision for DOR.

Vision: To create an open and collaborative environment that provides professional customer service, contributes to a favorable economic climate, and is accountable to the citizens of South Dakota.

Developing and Strengthening the Department's Relationships

- Improve Customer Satisfaction by Using Market Research Data to Implement Customer-Centric Technology Solutions
- Provide Customized Education Opportunities
- Establish Business Advisory Group to Gather Feedback

Managing Resources to Maximize Return on Investment

- Increase Lottery Instant Ticket Sales by 10%
- Increase Voluntary Compliance
- Expand Internal Control Efforts
- Review Initiatives & Activities for Return on Investment
- Expand Audit Efforts
- Increase Electronic Transactions

Leveraging Info through Data Analytics to Support Decision Making

- Establish Standards for Inventory and Use of Department Data
- Develop Dashboards to:
 - * Identify Tax Gaps and Increase Revenues
 - * Effectively Manage the Strategic Goals
 - * Support Staffing Patterns and Needs

Engaging and Developing our TEAM

- Promote Team Building
- Establish a Defined Training and Development Plan
- Broaden Communication Efforts
- Develop a Workforce Management Plan

MEET OUR LEADERSHIP

Deputy Secretary
David Wiest



Secretary
Andy Gerlach



SECRETARIAT

We provide professional services to the department:

- Budget, finance, and procurement
- Technology support
- Social media and public information requests
- Education, both internal and external
- Continuous improvement
- Strategic planning

Administration
Toni Richardson



We provide:

- Routine legal counsel to the department
- Investigative Services Bureau
- Counsels contested cases regarding:
 - Audits
 - Jeopardy assessments
 - Relief agency requests
 - Motor vehicle issues
 - Alcohol license issues
 - Tax license revocations

Chief Legal Counsel
Andrew Fergel



We audit:

- Sales and Use Taxes
- Municipal Taxes
- Contractor's Excise Tax
- Motor Fuel Taxes
- Mineral Severance Tax
- Bank Franchise Tax

We identify and resolve errors made in tax reporting.

Audits

Rachel Williams



We are comprised of five commissioners responsible for regulating the gaming industry in:

- City of Deadwood
- Pari-mutuel horse racing
- Pari-mutuel wagering

We administer Indian gaming compacts.

Commission on Gaming

Larry Eliason



In Special Taxes, we administer:

- Tobacco Tax
- Alcohol Tax
- Bank Franchise Tax
- Severance Tax
- Several other taxes

We regulate:

- Tobacco industry
- Alcohol industry

In Property Tax, we:

- Assist local governments
- Assess the centrally assessed companies
- Administer the Telephone Gross Receipts Tax and alternative tax for commercial wind farms

Property & Special Taxes

Mike Houdyshell



We market:

- Instant Tickets
- Lotto Games

We regulate:

- Video Lottery

The Lottery Commission:

- Establishes policy
- Reviews and approves major contracts and procurements
- Consults on management and operation issues

Lottery

Norm Lingle



We administer the following taxes through licensing, education, compliance, license reviews, and collection of delinquent taxes on licensed and unlicensed businesses:

- Sales Tax
- Use Tax
- Municipal Taxes
- Contractor's Excise Tax
- Tourism Tax
- 911 Surcharge

We provide support to the tax collection agreements.

Business Tax

Doug Schinkel



We handle motor vehicle titling and registration and oversee licensed dealers

We administer:

- International Registration Plan (IRP)
- Unified Carrier Registrations (UCR)
- Commercial and Motor Vehicle Licensing
- International Fuel Tax Agreement (IFTA)

We collect:

- Motor Vehicle Excise Tax
- Motor Fuel Tax
- Special Fuel Tax

Motor Vehicles

Lisa Weyer



OUR STAFF

DOR HAS A STAFF DEDICATED TO PUBLIC SERVICE AND ASSISTING OUR PARTNERS WITH ALL OF THEIR NEEDS.



245 LOYAL EMPLOYEES



2,998 YEARS OF PUBLIC SERVICE



Nationwide Impact

The Department of Revenue's staff features a number of valued employees whose impact extends far beyond South Dakota. Below are a few of those employees and the organization in which they play a role in.

- Andy Gerlach, Federation of Tax Administrators
- Larry Eliason, Association of Racing Commissioners International
- Alison Jares, Streamlined Sales Tax
- Kelsey Johnson, Streamlined Sales Tax
- Chris Keil, IFTA Clearinghouse Advisory Committee
- Allysen Kerr, Multistate Tax Commission
- Sandy O'Day, American Association of Motor Vehicle Administrators
- Ashley Pickner, Streamlined Sales Tax
- Rebecca Piroutek, FTA Tobacco Section
- Kathy Smith, Multistate Tax Commission
- Monica Weischedel, American Association of Motor Vehicle Administrators
- Lisa Weyer, American Association of Motor Vehicle Administrators
- Rachel Williams, Streamlined Sales Tax

Lingle Inducted to Lottery Industry Hall of Fame

South Dakota Lottery Executive Director Norm Lingle became one of the newest members of the Public Gaming Research Institute (PGRI) Lottery Industry Hall of Fame.

Lingle was inducted Oct. 4, 2016 at the North American Association of State and Provincial Lotteries (NASPL) Annual Conference in Atlanta, GA. Lingle has served as the head of the South Dakota Lottery since 2005.



Giving Back

Our staff's passion for assisting others extends well beyond the tax world. Throughout the year, our staff took part in many fundraising efforts, raising thousands of dollars for several charitable organizations.

Some of the organizations we have assisted include:

- PAWS Animal Rescue
- Make a Wish Foundation
- American Red Cross
- Western SD Senior Services
- Tough Enough to Wear Pink
- Feeding South Dakota
- Children's Miracle Network
- Special Olympics
- American Cancer Society
- Ronald McDonald House
- Watertown Boys & Girls Club
- Yankton Hockey Association
- Twin Cities Animal Rescue
- Pierre Fire Department
- Habitat for Humanity

DOR hosts blood drive



In partnership with United Blood Services, DOR hosted a blood drive in Pierre. Several employees donated, helping accumulate 64 units of blood to help those in need.

Williams wins United Way award



Audit Director Rachel Williams was named a recipient of the 2016 Spirit of the United Way Award from the Capital Area United Way.

Rachel once again exemplified great leadership as she played a pivotal role in coordinating our United Way fundraising campaign.

DOR staff donated \$11,036 to the Capital Area United Way in 2016.

SOUTH DAKOTA LEAN-DOR

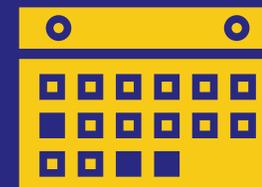
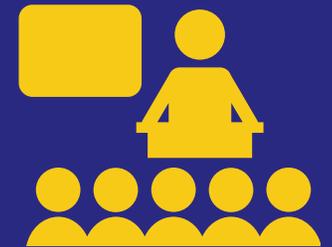
Lean is a process improvement approach and a collection of principles and tools used to eliminate wasteful activities that do not add value to the customer.

The Department of Revenue continued this continuous improvement initiative through a variety of Lean trainings and activities.



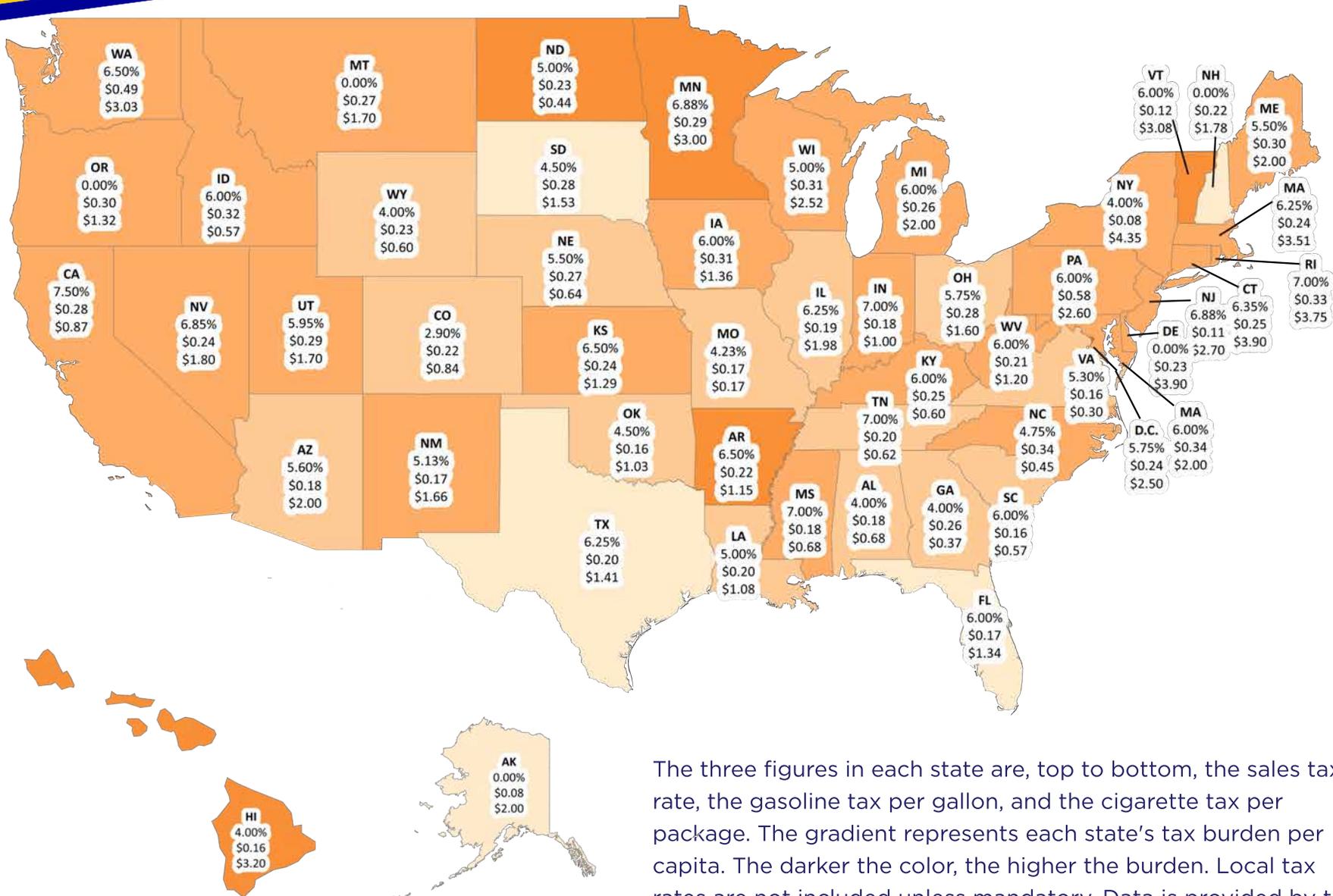
129
Participants

3
DOR Created
Courses



11
Process
Improvement
Events

50-STATE COMPARISON



The three figures in each state are, top to bottom, the sales tax rate, the gasoline tax per gallon, and the cigarette tax per package. The gradient represents each state's tax burden per capita. The darker the color, the higher the burden. Local tax rates are not included unless mandatory. Data is provided by the Federation of Tax Administrators and as shown on individual government websites.

Total Tax Burden

Rank	State	Per Capita
1	Dist of Columbia	10,870
2	Vermont	4,941
3	Hawaii	4,843
4	Minnesota	4,563
5	North Dakota	4,894
6	Arkansas	3,163
7	Delaware	3,700
8	West Virginia	2,800
9	California	3,955
10	Mississippi	2,563
11	Maine	3,102
12	New York	4,120
13	New Mexico	2,625
14	Kentucky	2,655
15	Iowa	3,049
16	Wisconsin	3,047
17	Nevada	2,730
18	Idaho	2,501
19	Michigan	2,763
20	Massachusetts	4,005
21	North Carolina	2,582
22	Indiana	2,652
23	Oregon	2,698
24	Maryland	3,473
25	Rhode Island	3,091
26	Connecticut	4,263
27	Montana	2,521
28	Utah	2,321
29	Washington	3,057
30	New Jersey	3,527
31	Pennsylvania	2,925
32	Kansas	2,772
33	Wyoming	3,268
34	Ohio	2,471
35	Illinois	2,862
36	Nebraska	2,683
37	Arizona	2,117
38	Alabama	2,040
39	Georgia	2,081
40	South Carolina	1,925
41	Virginia	2,523
42	Tennessee	2,013
43	Oklahoma	2,164
44	Missouri	2,010
45	Louisiana	1,989
46	Colorado	2,309
47	South Dakota	2,019
48	Florida	1,826
49	Texas	1,871
50	New Hampshire	1,979
51	Alaska	1,405

Comparing the Region

State	Gas Tax (¢ per gallon)	Sales Tax (%)	Highest Individ Income Tax (%)	Cig Tax Rate (¢ per pack)
South Dakota	\$0.280	4.500%	0.00%	\$1.53
Iowa	\$0.307	6.000%	8.98%	\$1.36
Minnesota	\$0.285	6.880%	9.85%	\$3.00
Montana	\$0.270	0.000%	6.90%	\$1.70
Nebraska	\$0.273	5.500%	6.84%	\$0.64
North Dakota	\$0.230	5.000%	2.90%	\$0.44
Wyoming	\$0.230	4.000%	0.00%	\$0.60

At just \$2,019, South Dakota had the fifth lowest per capita state tax burden in 2016, according to the latest figures available from the U.S. Bureau of the Census and Bureau of Economic Analysis. The following is the listing of per capita state tax burdens for all 50 states and the District of Columbia, beginning with the highest.

Top-10 Highest Sales Tax Rates

1	California	7.500%
2	Indiana	7.000%
2	Mississippi	7.000%
2	Rhode Island	7.000%
2	Tennessee	7.000%
6	Minnesota	6.880%
6	New Jersey	6.880%
8	Nevada	6.850%
9	Arkansas	6.500%
9	Kansas	6.500%
9	Washington	6.500%

Top-10 Highest Gasoline Tax Rates

1	Pennsylvania	\$0.582
2	Washington	\$0.494
3	North Carolina	\$0.343
4	Maryland	\$0.335
5	Rhode Island	\$0.330
6	Idaho	\$0.320
7	Wisconsin	\$0.309
8	Iowa	\$0.307
9	Maine	\$0.300
9	Oregon	\$0.300

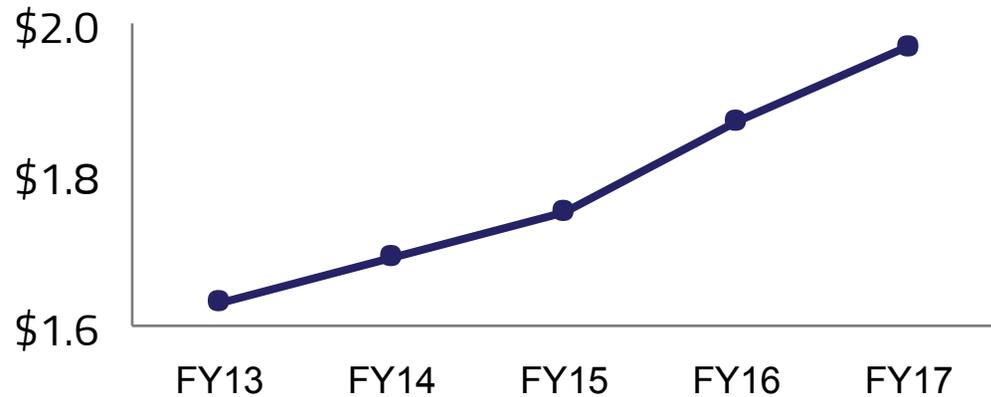
Top-10 Highest Cigarette Tax Rates

1	New York	\$4.350
2	Connecticut	\$3.900
3	Rhode Island	\$3.750
4	Massachusetts	\$3.510
5	Hawaii	\$3.200
6	Vermont	\$3.080
7	Washington	\$3.025
8	Minnesota	\$3.000
9	New Jersey	\$2.700
10	Pennsylvania	\$2.600

TAX REVENUE SUMMARY

The Department of Revenue is the principal tax collection agency for the State of South Dakota and collects a number of different state taxes. These taxes are grouped into four main categories: sales, use, and contractor's excise taxes; motor fuel taxes; motor vehicle fees and taxes; and special taxes. Once collected, these tax revenues are distributed to three primary locations: the state general fund, local units of government and the state highway fund.

Fiscal year 2017
state tax revenue totaled
\$2,009,223,137
up 4.8%
from FY16



Of the total tax revenue collected in fiscal year 2017, 71.7% came from sales, use, and contractor's excise taxes. Motor fuel taxes accounted for 10.6%, motor vehicle taxes 9.6%, special taxes 6.2%, and special funds 2.0%.

The table below shows a five-year comparison of revenues collected in each category.

Fiscal Year	Sales, Use, and Excise Taxes	Special Funds***	Motor Fuel Taxes*	Motor Vehicle Fees**	Special Taxes	Total	Percent Change
2013	\$1,199,905,288	\$38,825,967	\$161,903,333	\$140,560,673	\$125,819,051	\$1,667,014,312	3.0%
2014	\$1,263,804,163	\$39,864,372	\$156,736,026	\$155,471,527	\$112,649,609	\$1,728,525,697	3.7%
2015	\$1,303,995,340	\$43,506,966	\$169,843,878	\$165,401,153	\$111,960,795	\$1,794,708,132	3.8%
2016	\$1,344,420,908	\$44,817,106	\$211,150,393	\$197,394,765	\$119,887,584	\$1,917,670,756	6.9%
2017	\$1,440,565,779	\$40,417,694	\$211,993,156	\$192,151,968	\$124,094,540	\$2,009,223,137	4.8%

Five-Year Average	\$1,310,538,296	\$41,486,421	\$182,325,357	\$170,196,017	\$118,882,316	\$1,823,428,407
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* Includes Tank Inspection Fees

** Includes Unified Carrier Registration Fee

***Special Funds includes: Tourism Tax, 911, Water/Environment Fund, Intermediate Care Facility Tax, Motor Vehicle Leasing Fund, Telecom, and Reinvestment Payment / Building SD Fund.

2017 LEGISLATION

The South Dakota Legislature passed several bills impacting the activities of the Department of Revenue during the 2017 session. See a recap of some of the major bills below.

Senate Bill 36	Changed the filing and payment dates of state tax returns. The changes did not affect monthly, paper filers.
Senate Bill 66	Specifically classified certain agricultural land as riparian buffer strips, established criteria for riparian buffer strips, and provided property tax relief for those who meet the criteria.
Senate Bill 68	Removed the restrictions on the number of samples that can be offered per day at an alcohol sampling event. Clarified who can provide the alcoholic beverage samples at retail establishments.
Senate Bill 73	Created a new Tribal veteran license plate for qualifying vehicles. To qualify, the vehicle's owner must be a member of a tribe and an honorably discharged veteran who served on active duty.
Senate Bill 113	Extended the sunset clause provisions for the \$1.25 per line 911 surcharge.
Senate Bill 118	Created a specialty license plate depicting the Dignity Sculpture. The new specialty license plate is available to any South Dakotan.
Senate Bill 128	Allowed manufacturers to pour and serve any alcoholic beverages at any event conducted by a civic, charitable, educational, fraternal, or veteran's organization who has obtained a temporary alcohol license. Allowed wholesalers to pour and serve wine at any event conducted by a civic, charitable, educational, fraternal, or veterans organization who has obtained a temporary alcohol license.
House Bill 1062	Appropriated money to fund sales tax and property tax refunds for elderly or disabled people.
House Bill 1092	Created a license for the manufacture and sale of cider.

For more on the 2017 bills signed into law, view our legislative recap under the publications section of our website, <http://dor.sd.gov>.

BUSINESS TAX

Revenues

Tax Type	FY15	Percent Change	FY16	Percent Change	FY17	Percent Change
Sales and Use - State	\$844,618,565	1.6%	\$869,421,055	2.9%	\$958,531,929	10.3%
Contractor's Excise - State	\$100,116,439	10.7%	\$101,496,551	1.4%	\$106,828,537	5.3%
Sales and Use - Cities	\$349,511,058	5.2%	\$363,584,600	4.0%	\$363,700,431	0.0%
Sales, Use, and Contractor's Excise - Tribal	\$9,749,278	-1.3%	\$9,918,702	1.7%	\$11,504,882	16.0%
Tourism	\$11,413,097	7.0%	\$12,902,062	13.1%	\$12,533,888	-2.9%
911 Emergency/Prepaid Wireless Surcharge	\$13,044,394	-1.0%	\$13,031,566	-0.1%	\$13,023,564	-0.1%
Water and Environment Fund	\$276,778	6.7%	\$28,490	-89.7%	\$34,583	21.4%
Intermediate Care Facility	\$1,302,499	3.5%	\$1,202,367	-7.7%	\$1,280,698	6.5%
Reinvestment Payment Program	\$4,121,212	222.6%	\$4,306,298	4.5%	\$1,482,381	-65.6%
Building SD Fund	\$816,003	153.9%	\$1,550,700	90.0%	\$1,188,207	-23.4%
Motor Vehicle Leasing Fund	\$1,806,948	3.6%	\$1,890,096	4.6%	\$1,991,247	5.4%
Telecom	\$10,726,035	-4.0%	\$9,905,527	-7.7%	\$8,883,126	-10.3%

Where the Money Went

Tax Type	General Fund	Local Government	Tribal Jurisdictions	Other
Sales and Use - State	100%	-	-	-
Contractor's Excise - State	100%	-	-	-
Sales and Use - Cities	-	100%	-	-
Sales, Use, and Contractor's Excise - Tribal	-	-	100%	-
Tourism	-	-	-	100%
911 Emergency/Prepaid Wireless Surcharge	-	-	-	100%
Water and Environment Fund	-	-	-	100%
Intermediate Care Facility	100%	-	-	-
Reinvestment Payment Program	-	-	-	100%
Building SD Fund	-	-	-	100%
Motor Vehicle Leasing Fund	-	-	-	100%
Telecom	-	-	-	100%

Municipalities

While cities set their own tax rates, the department is responsible for collecting the taxes. Those revenues are then distributed to the taxing units based on the amount collected for each city (shown in Appendix A of this report). These municipal sales and use tax revenues do not necessarily indicate the level of economic activity in these areas since municipalities vary in their tax rates and the size of their tax bases.

In Fiscal Year 2017, 250 municipalities imposed municipal sales and use taxes. The maximum local tax rate that can be levied in South Dakota is 2%. Cities may also impose a 1% municipal gross receipts tax (MGRT) which is levied in addition to the municipal sales tax. The municipal gross receipts tax can be imposed on alcoholic beverages, eating establishments, lodging accommodations, ticket sales and admissions to places of amusement, or athletic and cultural events.

Fiscal Year 2017 Changes

Ramona and Lake Norden imposed a 2% general sales and use tax, while Bradley imposed a new 2% sales and use tax.

Mitchell imposed a 1% MGRT.

Sisseton opted to continue its 1% MGRT, while Hurley eliminated its 1% MGRT.

Special Jurisdictions

The State of South Dakota and five Indian tribes have entered into comprehensive tax collection agreements that include state and tribal sales, use, tourism, and contractor's excise tax. The state and two Indian tribes have entered into limited tax collection agreements that cover use and contractor's excise tax at certain locations. On the Indian country areas that are covered by a tax collection agreement, the state and the tribe each have the ability to tax certain individuals and certain transactions. All businesses in the Indian country areas are responsible for remitting tax. The tax remitted is then distributed between the state and the tribe based on the tax collection agreement.

Special Jurisdiction	ST Rate	UT Rate	ET Rate	Tourism	FY2016	FY2017	%Change
Cheyenne River Sioux Tribe	4.5%	4.5%	2%	1.5%	\$3,097,848.00	\$3,998,845.30	29.1%
Crow Creek Sioux Tribe	4.5%	4.5%	2%	1.5%	\$473,786.07	\$454,138.54	-4.2%
Oglala Sioux Tribe	4.5%	4.5%	2%	1.5%	\$2,866,651.72	\$3,305,773.19	15.3%
Rosebud Sioux Tribe	4.5%	4.5%	2%	1.5%	\$2,094,592.89	\$2,747,130.18	31.2%
Sisseton-Wahpeton Oyate	-	4.5%	2%	-	\$7,268.92	\$924.57	-87.3%
Standing Rock Sioux Tribe	4.5%	4.5%	2%	1.5%	\$1,375,389.73	\$997,797.54	-27.5%
Yankton Sioux Tribe	-	4.5%	2%	-	\$3,165.01	\$272.90	-91.4%
Totals					\$9,918,702.34	\$11,504,882.22	16.0%

Special Events

Revenue agents license vendors to collect state sales, municipal, and tourism tax at various special events across the state throughout the year. The table below compares tax collected at South Dakota's largest special events during Fiscal Year 2017 to the previous year.

Event	FY2016*	FY2017*	% + / -
Black Hills Stock Show	\$64,155	\$53,278	-17.0%
Brookings Arts Festival	\$34,955	\$32,695	-6.5%
Brown County Fair	\$23,486	\$33,033	40.7%
South Dakota State Fair	\$180,563	\$190,836	5.7%
Northern Hills Motorcylce Rally**	\$1,918,870	\$971,453	-49.4%
Southern Hills Motorcylce Rally***	\$484,959	\$313,143	-35.4%
Central States Fair	\$49,766	\$47,168	-5.2%
Sioux Empire Fair	\$55,424	\$51,554	-7.0%
Spearfish Arts Festival	\$19,505	\$23,502	20.5%
Totals	\$2,831,684	\$1,716,661	-39.4%

* Total Tax includes state, municipal, municipal gross receipts, and tourism taxes

** Northern Hills Rally includes Meade, Lawrence, and Butte Counties, as well as the cities within those counties

*** Southern Hills Rally includes Pennington, Custer, and Fall River Counties, as well as the cities within those counties

Award-Winning Technology

The Federation of Tax Administrators (FTA) presented the South Dakota Department of Revenue with the 2017 Technology award.

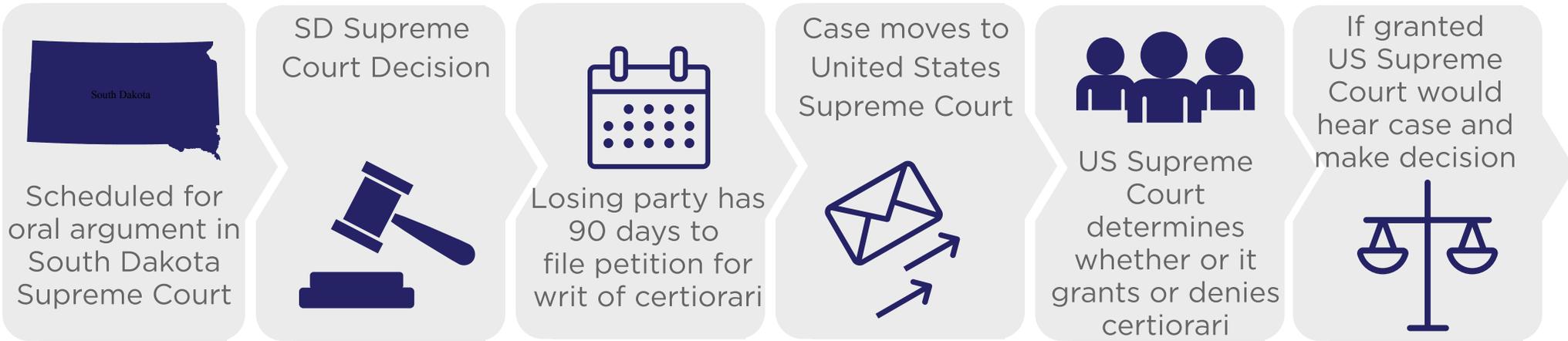
We received the award for our special events application. The application, which was created in anticipation of the 75th annual Sturgis Motorcycle Rally, allows DOR staff to record vendor information on the go through an iPad app.

The app is now used at all special events.

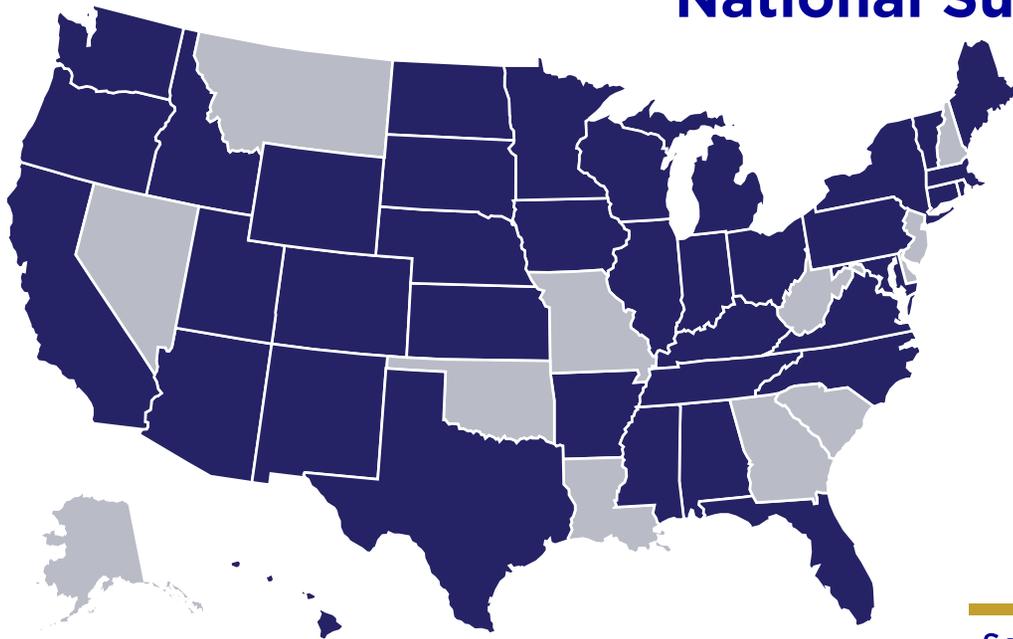


Senate Bill 106 Litigation

The State of South Dakota is at the national forefront in addressing tax uniformity. Through 2016's Senate Bill 106, South Dakota is attempting to ensure tax fairness. While some prominent remote sellers have become licensed to collect sales tax in South Dakota since the bill went into effect in May 2016, the state is hoping litigation will not only lead to the licensing of these remote sellers, but also protect main street businesses through tax uniformity. See below for steps in the litigation process. As of December 20, 2017, South Dakota's petition for writ of certiorari was pending with the United States Supreme Court.



National Support



After the state filed its petition to the United States Supreme Court, several entities filed amicus briefs to express support for the state's petition. These entities include the attorneys general from 35 states along with the District of Columbia, the Multistate Tax Commission, the South Dakota Retailers Association, the National Retail Federation, a variety of law professors and economists from around the nation, and more. The states colored blue signed the amicus brief filed by Colorado in support of South Dakota's petition, and some have passed legislation similar to 2016's SB 106.

AUDITS

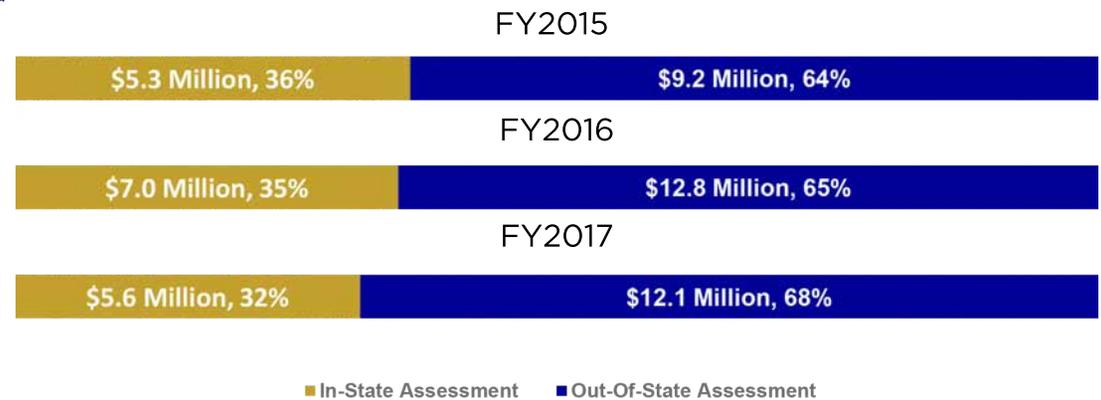
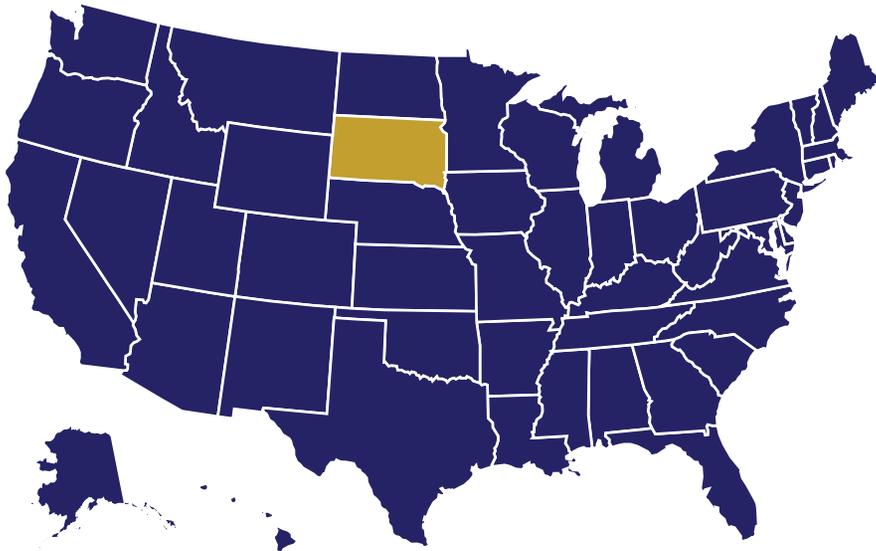
The Audit Division is responsible for selecting and performing audits on behalf of the Department of Revenue. The primary purpose of the audit function is to verify the gross receipts, deductions, and use tax reported on tax returns, to ensure required record keeping is in place, and to work with auditees to ensure understanding of the tax laws.

Audits, Assessments, and Revenues*

	FY2015				FY2016				FY2017				
	Audits	Assessments	Credits	Payments Received	Audits	Assessments	Credits	Payments Received	Audits	Assessments	Credits	Total	Payments Received
Sales, Use, and Contractor's Excise Tax	1,970	\$15,887,149	-\$1,312,668	\$16,570,365	2,142	\$20,845,516	-\$839,322	\$18,883,527	2,114	\$18,623,745	-\$1,081,519	\$17,542,226	\$19,331,947
Fuel, Prorate, IFTA	256	\$152,742	-\$211,493	\$11,341	343	\$152,742	-\$211,493	\$4,682	249	\$218,640	-\$43,882	\$174,758	\$88,887
Total	2,226	\$16,039,891	-\$1,524,161	\$16,581,706	2,485	\$20,998,258	-\$1,050,814	\$18,888,209	2,363	\$18,842,385	-\$1,125,401	\$17,716,984	\$19,420,834

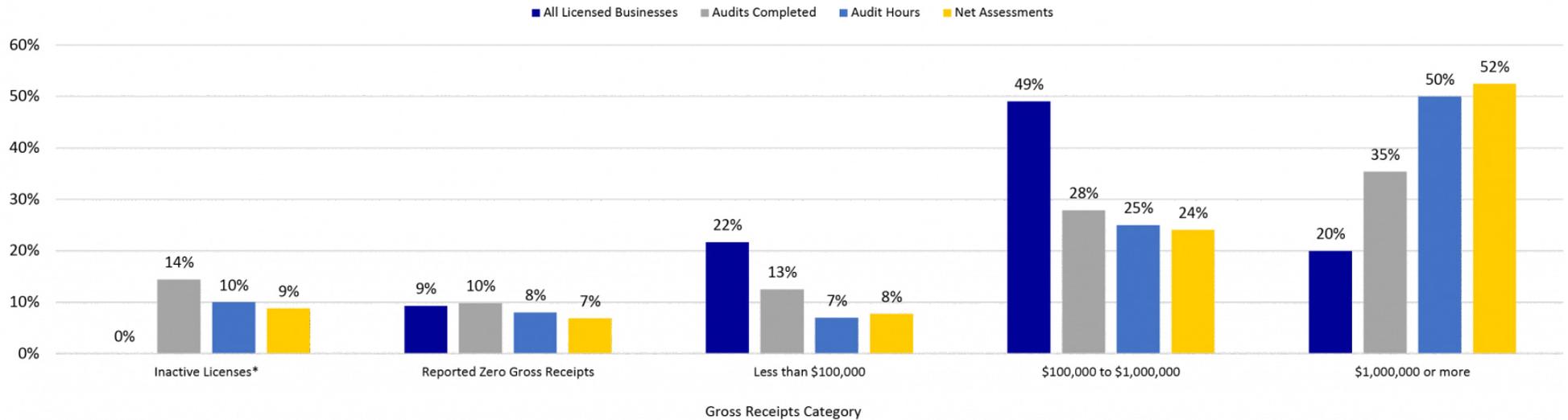
*Assessments and credits are from original assessments.

In-State vs. Out-of-State Net Assessments



FY2017 Audit Metric Distribution by Business Size

The graph below shows the percentage of businesses that fall into five different size categories. This information is compared to how much of the audit time and net assessments are associated with those same taxpayers.



*"Inactive licenses" is made up of businesses that may have been sold or reorganized, out of state contractors that may no longer have in state projects, and other entities that no longer have a South Dakota tax liability.

Common Errors Found During an Audit

Common Sales Tax Errors

1. Under-reporting of sales tax due to poor record keeping.
2. Exempting sales to taxable customers such as churches and 501(c)3 entities.
3. Municipal tax and Municipal Gross Receipts Tax (MGRT) reporting errors.
4. Not having valid exemption certificates on file.
5. Sales tax charged on construction services subject to excise tax.

Common Use Tax Errors

1. Not remitting use tax on goods and services purchased/used.
2. Not remitting use tax on items taken from inventory and used personally or in your business.
3. Not remitting use tax on owner-furnished materials (OFM).
4. Not remitting use tax on equipment brought in from out of state.
5. Use tax paid in error on purchases of services subject to excise tax.

Common Excise Tax Errors

1. Under-reporting of excise tax due to poor record keeping.
2. Not remitting excise tax on owner-furnished materials (OFM).
3. Not reporting excise tax on work performed for Local, State or Federal Gov't agencies.
4. Excise tax charged on construction services subject to sales tax.
5. Not including the excise tax invoiced and collected in reported gross receipts.

GAMING

In Fiscal Year 2017, total gaming action was \$1,082,364,852, which is a decrease of 6.47% from the previous year. At the close of the fiscal year, there were 3,176 licensed gaming devices, 123 retail locations, and approximately 1,388 employees licensed by the commission.

More details on gaming revenues from fiscal year 2017 can be accessed in the Commission on Gaming's Annual Report, which can be found at <http://dor.sd.gov>.

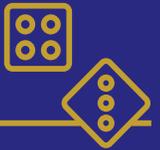
Revenues

FY17 Device Tax	\$6,352,000
Gross Revenue Tax	\$8,840,173
City Slot Tax	\$401,500
Application Fees	\$86,500
License Fees	\$101,600
Interest	\$20,855
Device Testing Fees	\$15,945
Penalty on Disciplinary Action	\$1,710
Other Revenue	\$0
Total Addition to Fund:	\$15,820,284

Distributions

Administrative Expenses (Includes DOR Admin Charge)	\$1,220,340
Expenses reimbursed by Applicants/Licensees	\$188,100
Capital Equipment	\$11,178
Lawrence County (Per 42-7B-48)	\$779,351
Other Municipalities (Per 42-7B-48.1)	\$279,125
School Districts (Per 42-7B-48.1)	\$279,125
SD Tourism (Per 42-7B-48)	\$3,117,404
SD General Fund (Per 42-7B-48.1)	\$1,953,873
SD General Fund (Per 42-7B-28.1)	\$974,189
SD Historical Preservation (Per 42-7B-48)	\$100,000
SD Department of Human Services (Per 42-7B-48.3)	\$5,902
City of Deadwood (Per 42-7B-48 & 48.1)	\$6,817,771
Total Allocations from Fund:	\$15,726,356

Did you know?



Gaming revenues paid dividends as the Commission on Gaming contributed more than a half of a million dollars to Black Hills Area municipalities and schools.

Municipalities that received funds were:

Central City	\$3,130.65
Lead	\$56,756.77
Spearfish	\$202,202.89
Whitewood	\$17,034.40

School Districts that received funds were:

Belle Fourche	\$428.61
Lead-Deadwood	\$70,924.19
Spearfish	\$192,619.50
Meade	\$15,152.41

FY17 Recap of Racing Funds

Revenues

	SPECIAL FUND	REVOLVING FUND	BRED FUND	TOTALS
BEGINNING CASH BALANCE 7/1/2016	\$10,942	\$190,196	\$79,607	\$280,745
REVENUES:				
Horse Revenue	\$31,834	\$112,892	\$52,887	\$197,613
Greyhound Revenue	\$11,477	\$81,004	\$28,859	\$121,340
Interest	\$84	\$3,566	\$1,441	\$5,091
Transfer from Agency Fund	-\$97,401	\$86,385	\$11,016	\$0
License & Fines - Horse	\$48,975			\$48,975
License & Fines - Dog	\$3,600			\$3,600
Total Revenues	\$9,511	\$474,043	\$173,810	\$657,364

Disbursements

	SPECIAL FUND	REVOLVING FUND	BRED FUND	TOTALS
Aberdeen Horse Racing Track				
SD Bred Point Money			\$19,000	\$19,000
Purse Supplements, Racing Operations and Advertising & Promotion		\$128,828		\$128,828
Jockey Bonus		\$3,000		\$3,000
SD Bred Stakes Money			\$35,500	\$35,500
Ft Pierre Horse Racing Track				
SD Bred Point Money			\$15,200	\$15,200
Purse Supplements, Racing Operations and Advertising & Promotion		\$137,000		\$137,000
Jockey Bonus		\$5,500		\$5,500
SD Bred Stakes Money			\$35,900	\$35,900
Total Track Disbursements		\$274,328	\$105,600	\$379,928
ENDING CASH BALANCE @ 6/30/2017	\$9,511	\$199,715	\$68,210	\$277,436

FY17 Horse Racing

In Fiscal Year 2017, horse races took place at both the Fort Pierre and Aberdeen tracks.

Fort Pierre held four days of races over the course of two weekends, while the Aberdeen track hosted five days of racing over two weekends.

LOTTERY

The lottery revenue generated for state funds during Fiscal Year 2017 was more than \$117.9 million. These revenues came from three sources, which are shown in the chart below.

More details on lottery revenues from Fiscal Year 2017 can be accessed in its annual report, which can be found at <http://lottery.sd.gov>.

Revenues

	Sales	Prizes	Commission	Revenue Distributed
Instant Tickets	\$ 26,068,946	\$ 17,147,116	\$ 1,499,341	\$ 5,240,567
Lotto Tickets	\$ 23,009,677	\$ 11,593,185	\$ 1,134,101	\$ 7,044,532
Video Lottery ¹	\$ 702,820,214	\$ 490,444,018	\$ 106,188,098	\$ 105,688,235
			Total	\$ 117,973,335

¹ Video Lottery sales are cash in; prizes are cash out; private share of net machine income is retailer commission.

Where the Money Went

	General Fund	Capital Construction Fund	Department of Social Services *
Instant Tickets	\$ 5,240,567	\$ -	\$ -
Lotto Tickets	\$ 1,400,000	\$ 5,644,532	\$ -
Video Lottery	\$ 105,613,235	\$ -	\$ 162,661
Video Lottery License Fees	\$ 75,000	\$ -	\$ -
Totals	\$ 112,328,802	\$ 5,644,532	\$ 162,661

* The SD Lottery annually provides the Department of Social Services with funding for problem gambling services. Funding comes from the Lottery's 0.5% of net machine income for administration.

Instant Tickets

The Lottery launched 28 new instant ticket games during Fiscal Year 2017. Prices for instant tickets ranged from \$1 to \$20, and prizes ranged from \$1 to \$500,000.

At the close of the Fiscal Year 2017, there were 629 licensed instant ticket retailers across the state. Retailers receive a 5% commission for selling tickets, a 1% commission for cashing winning tickets with prizes up to \$100, and a 1% commission for selling tickets with prizes of more than \$100.

Fiscal Year 2017 instant ticket sales decreased 0.9% from the previous year, and transfers were down 5%. Revenue from the sale of instant tickets is distributed to the state's general fund.

Lotto Tickets

South Dakota currently offers four lotto games. Powerball, Mega Millions, and Hot Lotto are multi-state games, while Lucky For Life is operated by the New England Lotteries. Dakota Cash with EZ Match is played only in South Dakota.

At the end of Fiscal Year 2017, there were 616 licensed lotto retailers. Lotto retailers receive a 5% commission for selling tickets, plus varying bonuses for selling larger winning tickets.

Lotto games reported an overall sales decrease of 20.64% and transfers were down 22.99% from Fiscal Year 2016. The first \$1.4 million of revenue from the sale of lotto tickets is distributed to the state general fund, and the balance is distributed to the Capital Construction Fund.

Video Lottery

The Lottery regulates, markets, and oversees video lottery game activities through licensing procedures for the machines, machine owners (operators), and establishments, as well as the maintenance of a comprehensive secure central computer system.

Video lottery sales (cash in) increased by 3.52% in Fiscal Year 2016. The average number of active video lottery machines during Fiscal Year 2016 was 9,067 and the average number of licensed establishments was 1,335. The revenue from video lottery is calculated on net machine income, which is cash-in (sales) minus cash-out (prizes). Net machine income is divided between the state and machine operators on a 50/50 split. One-half of one percent (0.5%) of total net machine income is retained by the Lottery for administration expenses. Revenue from video lottery net machine income during Fiscal Year 2017 was distributed to the state general fund.

Lucky For Life Launches



Beginning June 4, 2017, South Dakotans had an opportunity to win \$1,000 a day for the rest of their lives.

Lucky for Life costs \$2 per play and tickets can be purchased via play slip or QuickPick. The odds of winning the top prize of \$1,000 a day for life is 1:30.8 million. The odds of winning any prize are about 1:7.8.

More information on the game is available at lottery.sd.gov/games/lottogames.

Lucky for Life is currently played in 23 states and the District of Columbia.

Did You Know?



As of June 30, 2017, there were 5,862 legacy machines in South Dakota compared to 3,255 line (new) machines. Despite the lower quantity, data shows that players prefer the new machines as the line machines outpaced the legacy machines in net machine income per terminal as well as cash in.

MOTOR VEHICLES

Revenue Sources

Revenue Source	FY15	% Change over Previous Year	FY16	% Change over Previous Year	FY17	% Change over Previous Year
Aviation Fuel	\$728,070	1.6%	\$722,592	-0.8%	\$789,493	9.3%
Motor Fuel	\$145,860,377	8.7%	\$186,597,303	27.9%	\$187,311,848	0.4%
Motor Fuel - Tribal	\$4,267,870	20.1%	\$5,563,970	30.4%	\$5,164,015	-7.2%
International Fuel Tax Agreement (IFTA)	\$1,596,887	6.6%	\$906,187	-43.3%	\$1,031,669	13.8%
Tank Inspection Fees	\$17,390,674	3.7%	\$17,360,341	-0.2%	\$17,696,131	1.9%
Prorate - Registration Fees and Excise Tax	\$18,724,926	1.0%	\$20,203,207	7.9%	\$18,794,363	-7.0%
United Carrier Registration Fees	\$883,113	-1.5%	\$823,029	-6.8%	\$835,425	1.5%
Motor Vehicle Titles and Registrations	\$145,793,114	7.2%	\$176,368,529	21.0%	\$172,522,180	-2.2%

Distributions

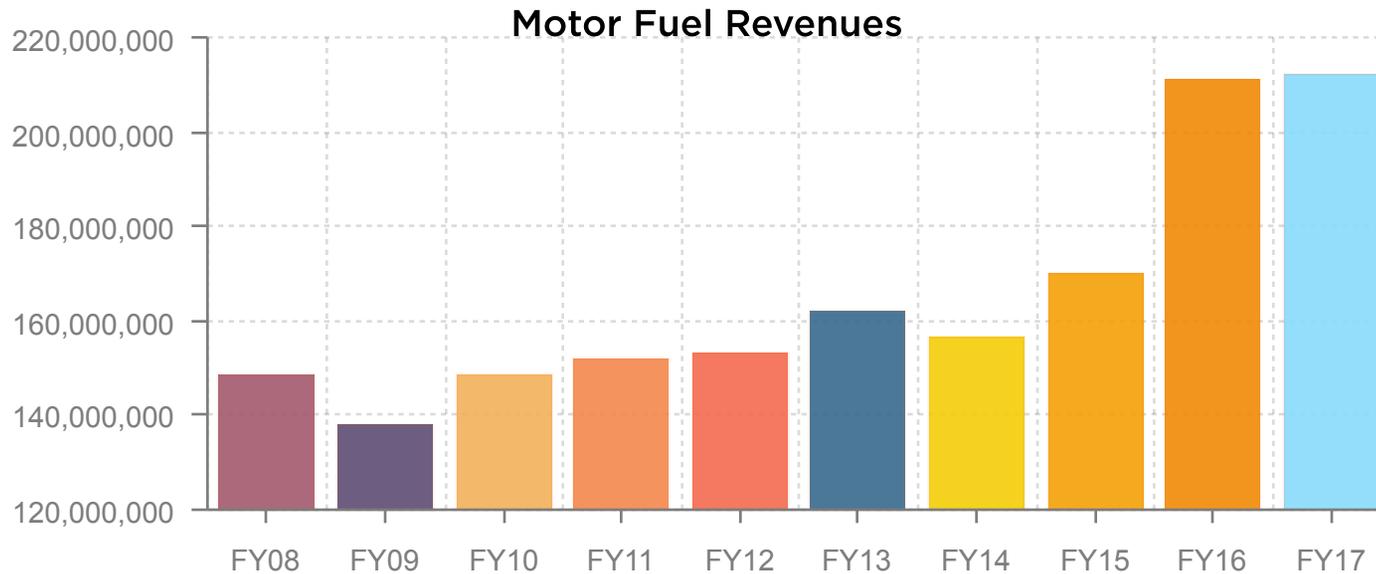
Revenue Source	General Fund	Local Government	State Highway Fund	Other
Motor Fuel Excise Tax	-	-	100%	-
Motor Vehicle Excise	-	-	100%	-
Motor Vehicle Registration Fees	-	95.75%	-	(1)
Snowmobiles	-	-	-	(2)
Plates and Permits	-	-	-	License Plate Revolving Fund
Title and Penalty Fees	-	-	-	Motor Vehicle Fund (MVF)
Mobile home Registration Fees	25%	63.75%	-	11.25% MVF

(1) 1.75% is deposited to the State Motor Vehicle Fund, and 2.5% goes to the License Plate Special Revenue Fund.

(2) 90% goes to Game, Fish, and Parks, 10% to State Motor Vehicle Fund.

Motor Fuel

Many fuel types, including gasoline, diesel, ethyl alcohol, methyl alcohol, aviation fuel, jet fuel, and liquid petroleum gas (LPG), fall into the fuel tax category. In Fiscal Year 2017, total fuel tax revenues amounted to \$211,993,156. The chart below compares South Dakota's fuel tax revenues for the past 10 years. Each fuel type is taxed at a different rate as per South Dakota law.



2015's Senate Bill 1 went into effect April 1, 2015. The bill featured increases in the motor vehicle excise tax, licensing and registration fees for non-commercial vehicles, the motor fuel excise tax, and wheel taxes.



In most cases, motor fuel tax is collected at the rack—which means the supplier remits the tax to the State prior to the customer's purchase.

Because the tax is already paid before the customer makes their purchase, the customer essentially pays the tax back to the supplier. Your price at the pump includes Federal and State taxes.

By the Numbers

South Dakota has 16 different motor fuel license types and a total of 3,144 licensees.

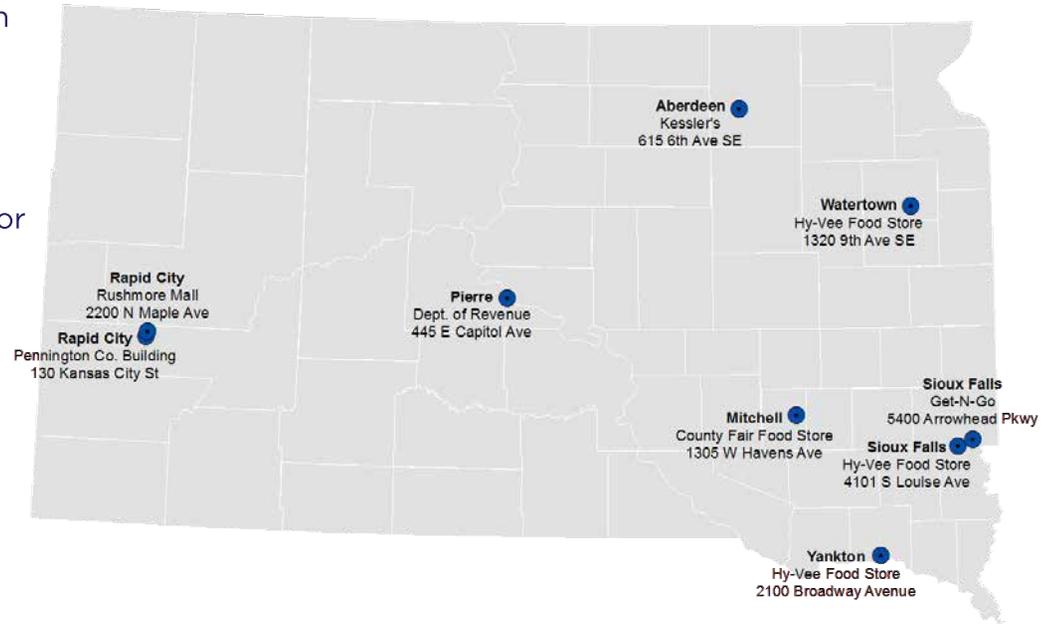
Renew On The Go!



In Fiscal Year 2017, more than 53,000 registrations were renewed through our self-service terminals.

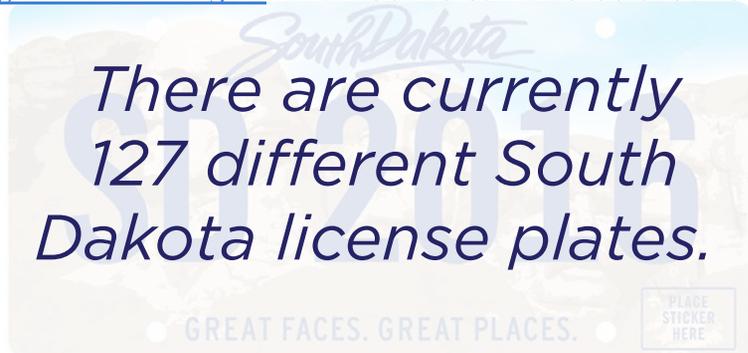
All you need is a credit card or check and a SD ID to have your registration card and stickers printed in minutes!

See the map for all of our locations.



Did you know?

South Dakotans have no shortage of options when it comes to which license plates their vehicles feature. The Department of Revenue offers a wide array of specialty license plates, many of which can be ordered online by logging on to <http://MYsdcars.sd.gov>. This website can also be used to renew your vehicle registrations from the comfort of your own home!



Registration and Title Revenues

Motor Vehicle Excise Tax of 4% is collected on sales of motor vehicles that operate on South Dakota's roads and highways.

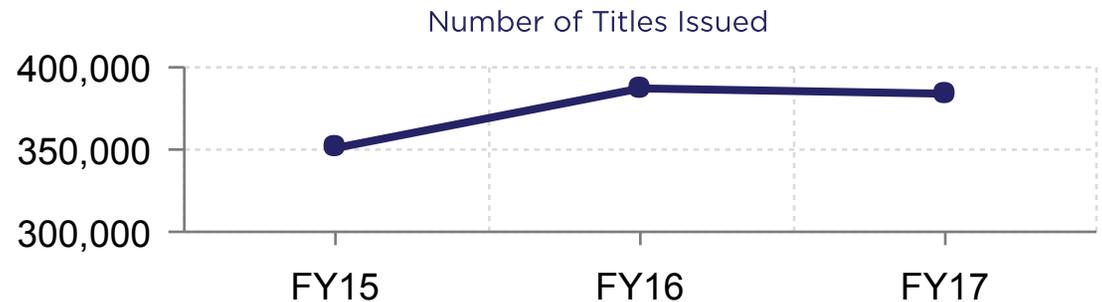
Vehicles used on public roadways or waterways must also be licensed and registered each year. Registration is confirmed by the issuance of a license plate or decal.

Title and Registration Revenues	FY2016	FY2017	% Change
License Plate Fees-State's Share*	\$5,129,864	\$5,295,945	3.24%
License Plate Fees-Counties', Cities', Townships' Share	\$57,952,798	\$52,714,353	-9.04%
Snowmobiles	\$125,139	\$125,803	0.53%
Boats	\$1,480,281	\$1,707,049	15.32%
Temporary Special Permits	\$77,310	\$75,275	-2.63%
Mobile Home Plates	\$4,800	\$4,850	1.04%
Dealer Fees	\$223,086	\$165,730	-25.71%
Duplicate Plates, Replacement Plates	\$278,446	\$266,006	-4.47%
Title and Penalty Fees	\$2,782,861	\$3,004,901	7.98%
Trailer ID Fees	\$75,028	\$68,369	-8.88%
Motorcycle Safety Education Fees	\$620,236	\$639,744	3.15%
Mobile Home Registration Fees-States' Share	\$114,599	\$116,910	2.02%
Other Vehicle 4% Excise Tax	\$104,379,178	\$105,567,829	1.14%
Snowmobile 3% Excise Tax	\$352,482	\$281,102	-20.25%
Register of Deeds Fees	\$194,190	\$191,631	-1.32%
DENR-Solid Waste Fees	\$1,246,716	\$1,264,669	1.44%
DPS-Highway Patrol Fees	\$1,331,515	\$1,032,016	-22.49%
Total Receipts	\$176,368,529	\$172,522,182	-2.18%

*State Motor Vehicle Fund, License Plate Special Revenue Fund

Title Processing

Our motor vehicle division strives to issue motor vehicle titles in an efficient and reliable manner. During Fiscal Year 2017, 383,961 motor vehicle titles were issued.



PROPERTY TAX

In 2017, South Dakota property owners paid more than \$1 billion to fund local governments and provide K-12 education for the state's children. The state does not collect or spend any property tax money. Each county administers its own property tax system; the department's primary role is to assist local governments in making property tax assessments that are fair and in compliance with the law. The following two tables show the portion of the total taxes paid by each classification of property, and where the money collected is spent.

Who Paid

Year Taxes Payable	Agricultural *	% Of Total	Owner-occupied	% Of Total	Commercial	% Of Total	Utilities	% Of Total	Special Assessments	% Of Total	TOTAL
2008	219,709,028	24.87	348,147,127	39.41	277,552,244	31.42	22,957,006	2.60	15,057,152	1.70	883,422,556
2009	231,587,046	24.81	368,765,290	39.51	292,805,927	31.37	23,025,217	2.47	17,091,242	1.83	933,274,722
2010	239,627,362	24.50	388,867,662	39.76	307,499,562	31.44	23,463,130	2.40	18,467,990	1.89	977,925,706
2011	240,496,832	23.97	403,337,138	40.21	312,194,141	31.12	22,646,984	2.26	24,485,447	2.44	1,003,160,542
2012	252,715,223	24.50	414,066,249	40.14	321,656,276	31.18	24,275,738	2.35	18,819,754	1.82	1,031,533,239
2013	269,377,688	25.14	424,725,465	39.64	331,147,206	30.91	26,337,906	2.46	19,768,706	1.85	1,071,356,971
2014	286,177,332	25.45	444,727,084	39.55	346,978,590	30.86	27,320,189	2.43	19,323,088	1.72	1,124,526,283
2015	313,174,676	26.32	462,029,557	38.83	363,467,432	30.54	28,251,171	2.37	23,070,108	1.94	1,189,992,944
2016	345,426,962	27.60	481,760,248	38.49	371,483,979	29.68	28,562,138	2.28	24,383,785	1.95	1,251,617,112
2017	354,621,162	28.12	482,519,548	38.26	376,062,906	29.82	28,312,412	2.25	19,486,950	1.55	1,261,002,979

* Agricultural property taxes include NA-Z taxes for Pay 2006 to 2010

Where the Money Went

For Taxes Payable In	County	% Of Total	Municipalities	% Of Total	Schools	% Of Total	Townships	% Of Total	Special Assessments	% Of Total	TOTAL
2008	231,487,473	26.20	116,772,552	13.22	506,618,292	57.35	13,487,087	1.53	15,057,152	1.70	883,422,556
2009	248,284,680	26.60	124,481,492	13.34	529,246,426	56.71	14,170,891	1.52	17,091,242	1.83	933,274,722
2010	267,475,363	27.35	131,066,116	13.40	546,181,894	55.85	14,734,342	1.51	18,467,990	1.89	977,925,706
2011	268,440,562	26.76	133,749,586	13.33	560,022,922	55.83	16,462,026	1.64	24,485,447	2.44	1,003,160,542
2012	281,180,299	27.26	139,272,206	13.50	574,213,937	55.67	18,047,044	1.75	18,819,754	1.82	1,031,533,239
2013	296,987,309	27.72	145,762,092	13.61	589,839,803	55.06	18,999,061	1.77	19,768,706	1.85	1,071,356,971
2014	301,699,432	26.83	149,893,710	13.33	635,031,575	56.47	18,578,477	1.65	19,323,088	1.72	1,124,526,282
2015	315,353,572	26.50	157,338,152	13.22	674,236,597	56.66	19,994,514	1.68	23,070,108	1.94	1,189,992,943
2016	326,486,739	26.09	163,730,819	13.08	717,034,283	57.29	19,981,486	1.60	24,383,785	1.95	1,251,617,112
2017	338,664,320	26.86	168,417,888	13.36	712,929,007	56.54	21,504,813	1.71	19,486,950	1.55	1,261,002,979

Taxable Valuations by Category: 2008-2017

For Taxes Payable in	Agricultural *	% of Total	Owner-Occupied	% of Total	Commercial	% of Total	Utilities	% of Total	Total
2008	17,688,985,934	34.23	20,353,223,881	39.39	12,504,672,828	24.20	1,124,579,669	2.18	51,671,462,309
2009	19,058,117,169	34.49	21,687,103,039	39.25	13,334,072,762	24.13	1,169,829,792	2.12	55,249,122,762
2010	19,690,137,457	34.11	22,768,420,477	39.44	14,051,480,469	24.34	1,222,801,442	2.12	57,732,839,845
2011	19,691,529,066	33.38	23,726,031,354	40.22	14,345,035,001	24.32	1,222,426,811	2.07	58,985,022,232
2012	21,198,601,461	34.84	24,168,972,982	39.72	14,186,603,573	23.32	1,289,522,163	2.12	60,843,700,179
2013	23,009,157,595	36.52	24,187,671,139	38.39	14,543,781,399	23.09	1,258,762,412	2.00	62,999,372,545
2014	26,152,823,040	38.81	25,026,080,805	37.14	14,919,046,958	22.14	1,285,494,413	1.91	67,383,445,216
2015	31,466,431,683	41.81	26,558,445,270	35.29	15,852,917,357	21.06	1,379,817,525	1.83	75,257,611,835
2016	36,682,659,450	43.91	28,521,237,961	34.14	16,888,367,901	20.21	1,457,184,024	1.74	83,549,449,336
2017	40,976,098,485	45.02	30,375,303,647	33.37	18,068,936,828	19.85	1,605,026,683	1.76	91,025,365,643

* Agricultural value includes NA-Z value for Pay 2006 to 2010

** Total valuation does not include increment value in tax increment financing districts

See Appendix B for taxable valuations by county

Tax Increment Financing

Tax Increment Financing (“TIF”) is a tool primarily used to redevelop areas or grow a local economy by off setting the cost of public infrastructure improvements. TIFs can be useful in attracting private investments and businesses, which can translate into more jobs and a growing tax base. TIFs have three classifications, which are shown below along with the number of active TIFs throughout the state.

For more information on TIFs, visit <http://dor.sd.gov/TIFs.aspx>

Industrial (20 Active)

This classification includes an area where activities are recognized as industrial by zoning authorities. Included is any factory or business whose primary function is the manufacturing or assembly of goods, the processing of raw materials, and the wholesale of products for resale.

Economic Development (110 Active)

This includes any area where there is or will be one or more businesses engaged in an activity defined as commercial or industrial by the governing body that has zoning authority over the land contained within a TIF district.

Local (51 Active)

This is the default classification. Unless the TIF district meets the definition of an Industrial or Economic TIF district, it is a local TIF district.

Limits on Property Taxes

The South Dakota Legislature has enacted two independent systems that limit the growth of property taxes. The first is the state aid to education payments. These payments effectively replace property taxes for schools that would otherwise be paid by property owners. The second system is the caps placed on the property taxes collected by all levels of local government (except schools). These caps limit the local governments' property tax collections to the amount they collected the previous year, plus small increases for inflation and new construction.

State Aid to Education Payments

Agricultural and owner-occupied property owners benefit from the funding for education provided by the state. The state provides extra revenue for K-12 education that would otherwise have to be paid by these property owners. The benefit is provided to the taxpayer through a tax rate reduction for the school general fund levy. The school general fund levy rates for taxes payable in 2018 are set statewide as follows:

Ag \$1.507/\$1,000 of value

Owner-Occupied \$3.372/\$1,000 of value

Other \$6.978/\$1,000 of value

Property Tax Caps

State law limits the amount of property taxes that local governments (counties, cities, townships, fire districts, etc.) can collect from their property owners. Market increases in the value of the property within the taxing district automatically decrease the property tax rates upon that property to ensure that the caps are not exceeded. Local governments are limited to the amount of property taxes they collected last year, plus an increase for inflation based upon the consumer price index (but not more than 3%) and for new construction within the taxing jurisdiction.

Combined Effect of Tax Caps and State Aid Payments

Historically, property taxes had increased at a rate of about 6% per year since 1947. Property tax caps and state aid to education payments have significantly slowed this increase. If the historical rate of property tax growth had continued through the 1990's and 2000's, current property owners would be paying over \$1.60 billion in property taxes. Instead, property owners are paying just over \$1 billion of property taxes. These programs were implemented in 1997.

2017's Senate Bill 66 (Buffer Strips)

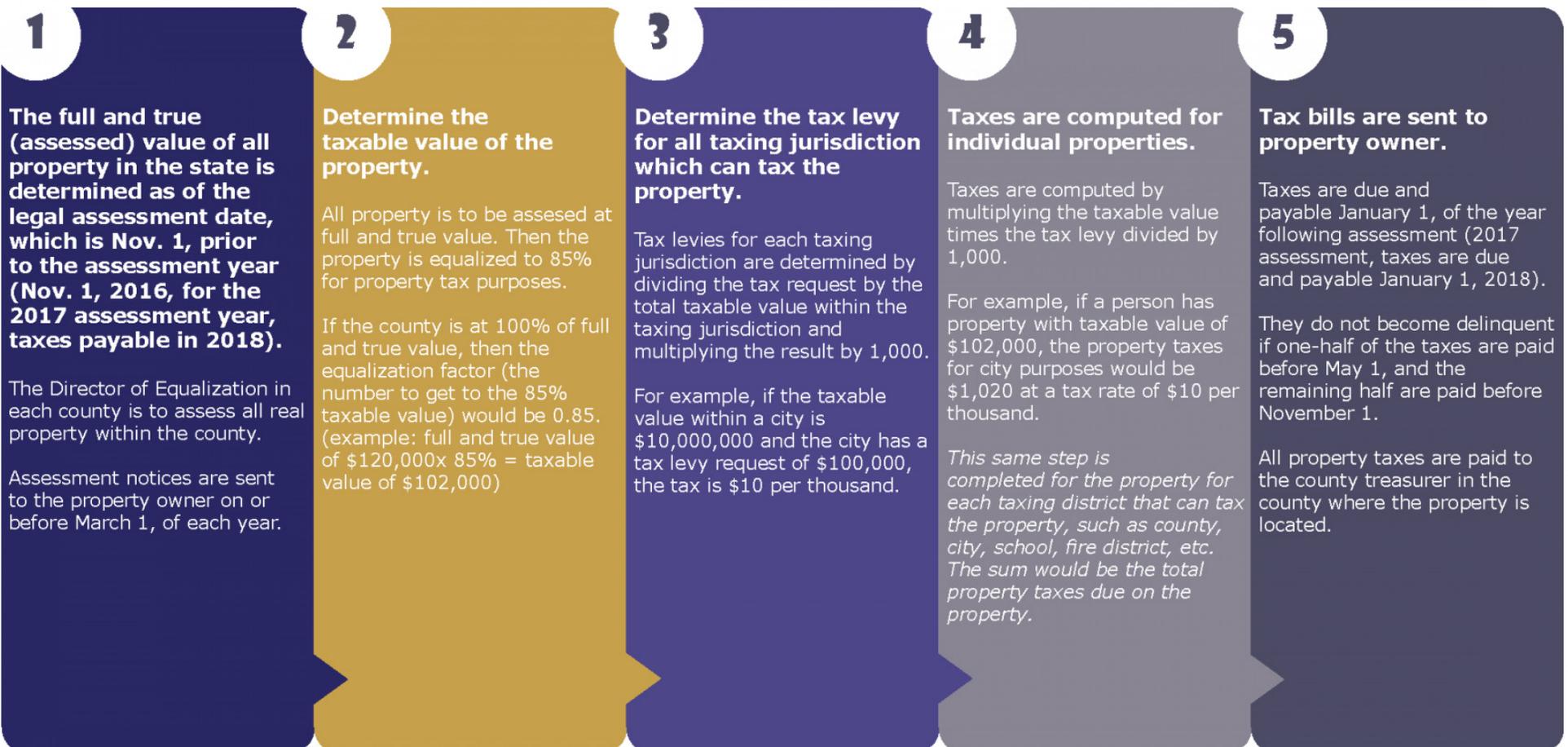
As a result of 2017's Senate Bill 66, landowners may receive a reduction in property value of 40% of any eligible riparian buffer strip. The bill specified 575 lake listings and 11,000 miles of streams that are eligible.

The first year of the program resulted in 27 approved applications from 11 different counties. This protected approximately 11.6 miles of eligible water ways.

For more information on this program, visit <http://dor.sd.gov/bufferstrips.aspx>

Steps in determination of Property Taxes

The following provides the steps that are common to the application of property taxes in each government unit (excluding centrally assessed properties):



Special Tax

Revenues

Tax Type	FY15	Percent Change	FY16	Percent Change	FY17	Percent Change
Cigarette Tax - State	\$50,470,002	-2.91%	\$54,659,076	8.30%	\$52,992,499	-3.05%
Cigarette Tax - Tribal	\$2,128,349	-0.36%	\$2,268,267	6.57%	\$2,551,715	12.50%
Cigarette License Fees	\$12,678	-0.56%	\$12,752	0.58%	\$12,975	1.75%
Other Tobacco Products	\$7,430,596	-0.19%	\$8,308,637	11.82%	\$8,816,651	6.11%
Other Tobacco Products - Tribal	\$238,972	1.35%	\$266,401	11.48%	\$301,326	13.11%
Bank Franchise Tax	\$26,248,670	5.76%	\$28,558,789	8.80%	\$30,727,618	7.59%
Precious Metals Tax	\$2,890,933	52.36%	\$4,598,759	59.08%	\$7,760,198	68.75%
Energy Mineral Tax	\$5,011,373	-28.94%	\$3,064,999	-38.84%	\$2,415,969	-21.18%
Coin Laundry License Fees	\$248,440	-3.29%	\$243,044	-2.17%	\$246,450	1.40%
Coin Laundry License Fees - Tribal	\$1,427	-4.48%	\$1,388	-2.73%	\$2,816	102.88%
Amusement Device Fees	\$70,452	-1.54%	\$66,864	-5.09%	\$70,464	5.38%
Bingo License Fees	\$25,000	0.00%	\$25,000	0.00%	\$32,500	30.00%
Bingo Tax	\$20,142	4.76%	\$15,183	-24.62%	\$13,384	-11.85%
Liquor License Fees	\$129,190	9.45%	\$162,545	25.82%	\$189,420	16.53%
Malt Beverage License Fees	\$344,920	3.52%	\$394,053	14.24%	\$400,640	1.67%
Alcoholic Beverage Brand Registration Fees	\$398,802	2.60%	\$482,845	21.07%	\$575,931	19.28%
Alcohol Beverage Excise Tax	\$14,339,678	1.93%	\$14,828,667	3.41%	\$14,978,530	1.01%
Alcoholic Beverage 2% Purchase Price Tax	\$1,861,746	10.13%	\$1,850,515	-0.60%	\$1,954,454	5.62%
Underage Penalty Fees	\$89,425	-7.95%	\$79,800	-10.76%	\$51,000	-36.09%

Direct Wine Shipping

As of January 1, 2016, South Dakota consumers of legal drinking age may have wine shipped directly to their homes from properly licensed in-state and out-of-state wineries. The department receives reports from both the wineries and carriers to ensure compliance with state law. Through June 30, 2017, the following statistics show the initial impact of the new law:

	Sales Tax Revenue¹	Alcohol Tax Revenue	Direct Shipper License Fees
FY2016	\$27,565	\$11,221	\$27,500
FY2017	\$149,534	\$40,729	\$43,100

1) The sales tax revenue figures are calculated based on the sales tax revenue reported by out of state wineries. In state wineries are not required to separate their direct shipper sales tax revenue from their total sales tax revenue.

Where the Money Went

Tax Type	General Fund	Local Government	Other
Cigarette Excise Tax	(1)	-	-
Cigarette License Fee	100%	-	-
Other Tobacco Products	(1)	-	-
Bank Franchise Tax (2)	26.66%	73.33%	-
Precious Metals Tax	100% (3)	-	-
Energy Minerals Severance Tax	50%	50%	-
Coin Operated Laundromat Fee	100%	-	-
Conservation Tax	-	-	(4)
Amusement Machine Registration	(5)	(5)	-
Alcoholic Beverage 2% Purchase Price Tax	100%	-	-
Wholesale Liquor License Fee	100%	-	-
Alcohol Beverage Brand Registration	100%	-	-
Malt Beverage Occupational Tax	75%	25%	-
Distilled Spirits Occupational Tax	75%	25%	-
Wines and Diluted Beverages	75%	25%	-
Malt Beverage License Fee	50%	50%	-

(1) The first \$30 million collected annually is deposited in the state general fund. The next \$5 million goes into the tobacco prevention and reduction trust fund. The remaining revenue in excess of \$35 million is deposited into the state general fund.

(2) An exception exists regarding credit card banks. 95% of the revenue derived from the tax is deposited into the state general fund, while 5% goes to the county where the bank is located. If there is no physical presence in South Dakota, then 100% is deposited into the state general fund.

(3) Revenues from mining companies licensed after January 1, 1981 are split as follows: 80% to the state, 20% to the county production (subject to a \$1 million per county cap).

(4) 100% of the tax collected is placed in the environment and natural resources fee fund.

(5) Revenue from devices located outside of municipalities is deposited into the state general fund. If the amusement device is located within a municipality, then the revenues are remitted to the municipality.

Sales or Property Tax Refund Program

The Sales or Property Tax Refund Program is a method of returning some of the dollars paid each year in sales and property taxes to senior and disabled citizens who meet certain income guidelines. The program has been in effect since 1974. During that period, the program has returned more than \$35 million to qualifying South Dakotans. Applications for the tax refund program must be made prior to July 1. Completed applications are submitted to the Department of Revenue office in Pierre for processing. Refunds are processed in the beginning of September. Information on the Sales or Property Tax Refund Program, including eligibility requirements and income guidelines, is available on the department's website at <http://dor.sd.gov> in the Special Taxes section.

EDUCATION

The Department of Revenue strives to educate our customers as well as work with our partners to ensure the best service possible for South Dakotans. Our education program is an important aspect in achieving this goal. The department hosted a wide-range of seminars during Fiscal Year 2017, and we will continue to expand our educational lineup in the coming years. The department offers general seminars, on-site instructional presentations, online tutorials, and webinars conducted by the South Dakota Retailers Association.

Our Seminars Cover:

- Sales Tax
- Contractor's Excise Tax
- Bookkeeping
- Property Tax
- Liquor Taxes
- Gaming Taxes
- Motor Vehicle Excise Tax

All of our seminars are free of charge.

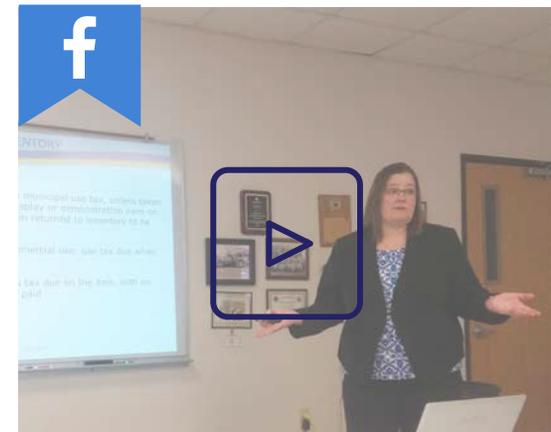
New in Fiscal Year 2017

Our agriculture tax seminars provided industry members with a better understanding of various tax types they might encounter. Topics included exemptions, motor fuel taxes, filing and paying returns, and more.

Look for more additions in Fiscal Year 2018.



New Ways To Attend



In Fiscal Year 2017, many of DOR's seminars were broadcasted live on the department's Facebook page.

This allowed South Dakotans who couldn't attend these seminars to tune in live from their computer, tablet, cellphone, and more!

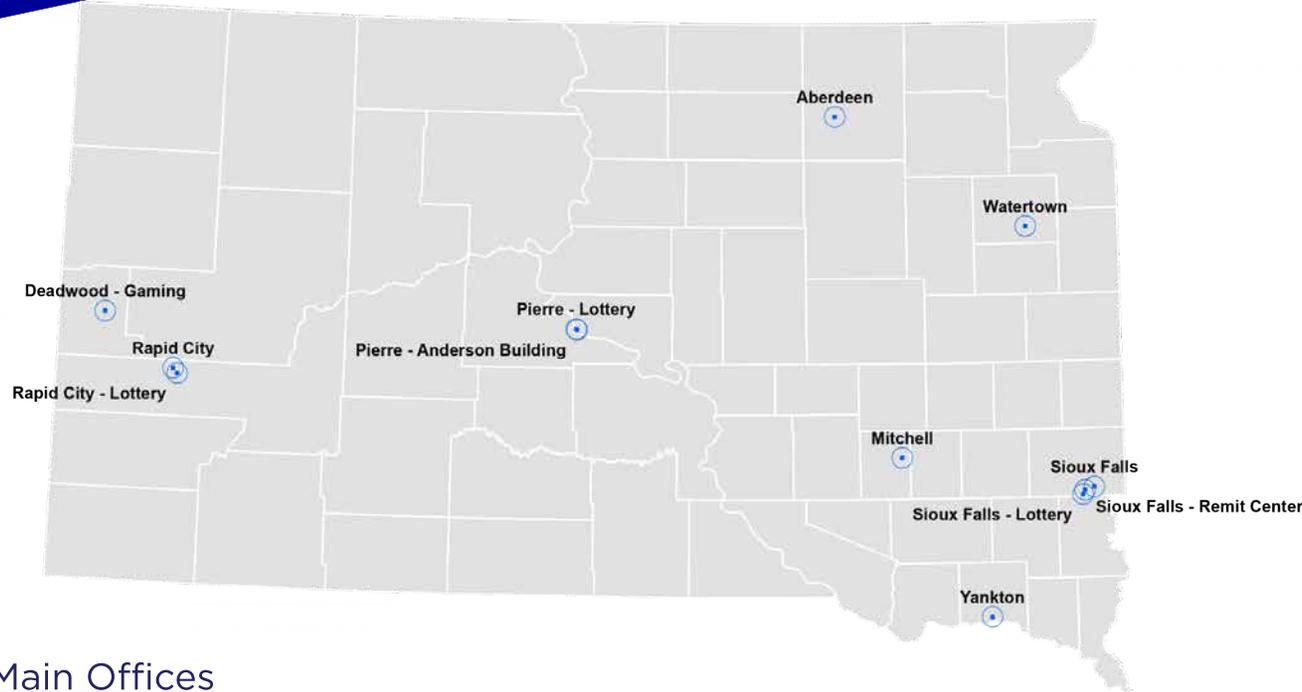
Fiscal Year 2017 By The Numbers



- DOR held 17 industry-specific training opportunities.
- DOR presented at 20 conferences hosted by outside agencies.
- We accommodated 10 different presentation requests by businesses.
- Our attendance at seminars increased by 63%.
- More than 1,960 South Dakotans attended conferences or seminars that featured educational content from the department.

Want to request a presentation?
Visit our website, dor.sd.gov, then
click on the Education tab.

CONTACT US



Main Offices

DOR - Pierre Office - Anderson Building, 445 East Capitol Avenue, 605-773-3311

S.D. Lottery - 711 East Wells Avenue, 605-773-5770

S.D. Commission on Gaming - 445 East Capitol Avenue, 605-773-6050

Field Offices

Aberdeen Revenue Office - 14 South Main, Suite 1-C, 605-626-2218

Deadwood Gaming Office - 87 Sherman Street, 605-578-3074

Mitchell Revenue Office - 417 North Main, Suite 112, 605-995-8080

Rapid City Revenue Office - 1520 Haines Avenue, Suite 3, 605-394-2332

Rapid City Lottery Office - 1000 Cambell Street, Suite 2, 605-394-5106

Sioux Falls Revenue Office - 300 South Sycamore Avenue, Suite 102, 605-367-5800

Sioux Falls Lottery Office - 3605 South Western Avenue, Suite B, 605-367-5840

Watertown Revenue Office - 715 South Maple, 605-882-5188

Yankton Revenue Office - 1900 Summit Street, 605-668-2939

Toll-Free Phone Center

Our staff is on hand to offer assistance Monday through Friday from 8 a.m. to 5 p.m. Central Time. Just call 1-800-829-9188 to speak to one of our tax experts.

Department Website

Visit <http://dor.sd.gov> to access information from all of our divisions, as well as our e-services.

Find Us On Social Media

Visit our Facebook, Twitter, and Youtube pages for breaking news, tutorials, and more!



DOR On The Go

Did you know that the department hosts temporary office hours in Huron throughout the year and in Sturgis during the rally?

For more information, visit our website.

#	City	FY2017	Sales/Use Tax Rate	FY2016	FY2017	% Change	#	City	FY2017	Sales/Use Tax Rate	Rate	FY2016	FY2017	% Change
		MGRT							MGRT					
1	Aberdeen	1.00%	2.00%	\$17,898,448.07	\$17,998,968.60	0.56%	51	Colton	1.00%	2.00%	\$112,587.55	\$123,496.92	9.69%	
2	Akaska	-	2.00%	\$18,656.01	\$23,574.85	26.37%	52	Columbia	-	2.00%	\$25,317.10	\$24,311.42	-3.97%	
3	Alcester	-	2.00%	\$216,652.78	\$218,794.07	0.99%	53	Conde	-	2.00%	\$30,999.51	\$23,495.53	-24.21%	
4	Alexandria	-	2.00%	\$143,328.43	\$151,043.98	5.38%	54	Corona	-	2.00%	\$17,553.82	\$16,431.58	-6.39%	
5	Alpena	-	1.00%	\$134,950.49	\$135,972.64	0.76%	55	Corsica	1.00%	2.00%	\$295,937.37	\$317,483.07	7.28%	
6	Andover	-	2.00%	\$25,439.48	\$6,132.20	-75.89%	56	Crooks	1.00%	2.00%	\$147,463.56	\$176,396.66	19.62%	
7	Arlington	-	2.00%	\$608,625.32	\$533,537.37	-12.34%	57	Custer	1.00%	2.00%	\$1,776,343.89	\$1,746,822.45	-1.66%	
8	Armour	-	2.00%	\$256,038.84	\$257,982.99	0.76%	58	Dallas	1.00%	2.00%	\$41,033.65	\$45,803.27	11.62%	
9	Artesian	-	2.00%	\$17,997.01	\$20,447.23	13.61%	59	Davis	-	2.00%	\$11,072.83	\$16,969.91	53.22%	
10	Ashton	-	2.00%	\$16,012.87	\$16,400.93	2.42%	60	De Smet	1.00%	2.00%	\$553,960.45	\$555,183.58	0.22%	
11	Astoria	-	2.00%	\$13,098.60	\$16,046.37	22.50%	61	Deadwood	1.00%	2.00%	\$3,457,405.45	\$3,392,762.62	-1.87%	
12	Aurora	-	1.00%	\$61,056.97	\$79,998.16	31.02%	62	Dell Rapids	1.00%	2.00%	\$1,112,526.35	\$1,156,502.01	3.95%	
13	Avon	-	2.00%	\$162,180.82	\$154,178.41	-4.93%	63	Delmont	-	2.00%	\$61,535.12	\$46,096.94	-25.09%	
14	Baltic	1.00%	2.00%	\$151,770.18	\$142,425.02	-6.16%	64	Dimock	-	2.00%	\$49,186.13	\$32,358.91	-34.21%	
15	Belle Fourche	1.00%	2.00%	\$2,809,050.38	\$2,728,016.54	-2.88%	65	Doland	-	2.00%	\$108,667.70	\$59,820.92	-44.95%	
16	Belvidere	-	2.00%	\$20,341.40	\$18,790.57	-7.62%	66	Dupree	-	1.00%	\$50,189.68	\$52,727.25	5.06%	
17	Beresford	1.00%	2.00%	\$1,054,356.46	\$914,470.64	-13.27%	67	Eagle Butte	1.00%	2.00%	\$462,940.93	\$429,289.18	-7.27%	
18	Big Stone City	-	2.00%	\$316,026.39	\$304,154.77	-3.76%	68	Eden	-	1.00%	\$22,736.95	\$21,480.08	-5.53%	
19	Bison	-	2.00%	\$281,382.40	\$178,412.41	-36.59%	69	Edgemont	1.00%	2.00%	\$316,964.58	\$242,028.41	-23.64%	
20	Blunt	1.00%	1.00%	\$41,246.53	\$43,776.88	6.13%	70	Egan	-	2.00%	\$33,827.15	\$37,337.92	10.38%	
21	Bonesteel	-	2.00%	\$82,802.22	\$80,047.25	-3.33%	71	Elk Point	1.00%	2.00%	\$553,354.96	\$504,131.72	-8.90%	
22	Bowdle	-	2.00%	\$144,728.85	\$145,383.68	0.45%	72	Elkton	-	2.00%	\$190,380.00	\$204,776.51	7.56%	
23	Box Elder	1.00%	2.00%	\$1,662,570.80	\$1,832,923.68	10.25%	73	Emery	-	2.00%	\$141,674.13	\$155,977.30	10.10%	
24	Bradley	-	2.00%	\$0.00	\$4,446.39	NA	74	Estelline	-	2.00%	\$146,076.92	\$157,701.06	7.96%	
25	Brandon	1.00%	2.00%	\$3,123,975.06	\$3,164,715.82	1.30%	75	Ethan	-	2.00%	\$174,799.69	\$131,988.81	-24.49%	
26	Brandt	-	2.00%	\$17,989.56	\$27,162.39	50.99%	76	Eureka	-	2.00%	\$307,204.57	\$295,079.21	-3.95%	
27	Bridgewater	-	2.00%	\$114,368.33	\$98,368.01	-13.99%	77	Fairfax	-	2.00%	\$30,905.98	\$33,023.25	6.85%	
28	Bristol	-	2.00%	\$76,214.13	\$93,013.21	22.04%	78	Fairview	-	2.00%	\$6,799.05	\$8,492.22	24.90%	
29	Britton	1.00%	2.00%	\$782,752.99	\$707,461.29	-9.62%	79	Faith	1.00%	2.00%	\$260,863.01	\$249,745.28	-4.26%	
30	Brookings	1.00%	2.00%	\$13,741,581.59	\$14,217,259.48	3.46%	80	Faulkton	-	2.00%	\$300,261.92	\$333,416.88	11.04%	
31	Bruce	-	1.00%	\$30,653.18	\$27,343.26	-10.80%	81	Flandreau	1.00%	2.00%	\$593,911.26	\$674,351.45	13.54%	
32	Bryant	-	2.00%	\$136,591.55	\$147,713.65	8.14%	82	Florence	-	2.00%	\$45,212.57	\$49,142.57	8.69%	
33	Buffalo	-	2.00%	\$178,088.16	\$176,186.05	-1.07%	83	Fort Pierre	1.00%	2.00%	\$1,395,662.19	\$1,268,996.84	-9.08%	
34	Buffalo Chip	-	2.00%	\$23,433.75	\$111,746.11	376.86%	84	Frankfort	-	2.00%	\$19,437.05	\$25,888.08	33.19%	
35	Burke	-	2.00%	\$283,795.22	\$292,145.20	2.94%	85	Frederick	-	1.00%	\$26,058.92	\$28,493.81	9.34%	
36	Camp Crook	-	1.00%	\$7,062.92	\$6,979.46	-1.18%	86	Freeman	-	2.00%	\$577,950.36	\$609,004.44	5.37%	
37	Canistota	1.00%	2.00%	\$192,021.74	\$171,499.92	-10.69%	87	Garretson	1.00%	2.00%	\$382,077.11	\$389,321.78	1.90%	
38	Canova	-	1.95%	\$28,882.80	\$26,185.75	-9.34%	88	Gary	-	1.00%	\$44,508.07	\$52,890.51	18.83%	
39	Canton	1.00%	2.00%	\$1,121,722.16	\$1,016,148.52	-9.41%	89	Gayville	-	2.00%	\$44,675.25	\$51,426.82	15.11%	
40	Carthage	-	2.00%	\$42,755.14	\$39,462.57	-7.70%	90	Geddes	-	2.00%	\$52,207.04	\$52,332.38	0.24%	
41	Castlewood	-	2.00%	\$130,046.02	\$148,469.40	14.17%	91	Gettysburg	1.00%	2.00%	\$576,499.81	\$512,799.26	-11.05%	
42	Cavour	-	2.00%	\$19,866.76	\$23,229.23	16.93%	92	Glenham	-	2.00%	\$26,032.94	\$28,233.96	8.45%	
43	Centerville	1.00%	2.00%	\$171,968.88	\$153,916.86	-10.50%	93	Gregory	1.00%	2.00%	\$696,590.36	\$654,098.08	-6.10%	
44	Central City	-	2.00%	\$70,006.71	\$63,761.80	-8.92%	94	Grenville	-	2.00%	\$17,206.78	\$17,310.00	0.60%	
45	Chamberlain	1.00%	2.00%	\$1,529,699.29	\$1,503,867.21	-1.69%	95	Groton	1.00%	2.00%	\$488,993.40	\$578,189.66	18.24%	
46	Chancellor	1.00%	2.00%	\$67,855.65	\$58,873.78	-13.24%	96	Harrisburg	1.00%	2.00%	\$1,030,575.58	\$1,164,184.93	12.96%	
47	Clark	-	2.00%	\$438,512.78	\$431,650.50	-1.56%	97	Harold	-	2.00%	\$78,618.72	\$75,210.19	-4.34%	
48	Clear Lake	1.00%	2.00%	\$548,292.52	\$620,147.70	13.11%	98	Hartford	1.00%	2.00%	\$836,830.71	\$904,152.24	8.04%	
49	Colman	-	2.00%	\$177,939.97	\$186,402.11	4.76%	99	Hayti	-	2.00%	\$64,314.19	\$71,334.81	10.92%	
50	Colome	1.00%	2.00%	\$65,615.59	\$75,622.35	15.25%	100	Hazel	-	1.00%	\$10,783.75	\$12,247.52	13.57%	

FY2017							FY2017						
#	City	MGRT Rate	Sales/Use Tax Rate	FY2016	FY2017	% Change	#	City	MGRT Rate	Sales/Use Tax Rate	FY2016	FY2017	% Change
101	Hecla	-	1.00%	\$42,707.50	\$47,444.15	11.09%	151	Mobridge	1.00%	2.00%	\$1,805,551.56	\$1,786,026.67	-1.08%
102	Henry	-	1.00%	\$26,943.73	\$31,471.47	16.80%	152	Monroe	-	2.00%	\$9,772.05	\$9,599.14	-1.77%
103	Hermosa	-	2.00%	\$146,685.32	\$153,792.39	4.85%	153	Montrose	-	2.00%	\$76,283.16	\$78,974.82	3.53%
104	Herreid	-	2.00%	\$243,450.93	\$304,306.99	25.00%	154	Morristown	-	1.00%	\$13,415.11	\$7,149.51	-46.71%
105	Highmore	1.00%	2.00%	\$418,367.86	\$360,351.06	-13.87%	155	Mound City	-	2.00%	\$21,110.64	\$17,998.01	-14.74%
106	Hill City	1.00%	2.00%	\$1,058,321.44	\$1,088,056.98	2.81%	156	Mount Vernon	1.00%	2.00%	\$74,565.98	\$78,930.99	5.85%
107	Hitchcock	-	1.00%	\$27,077.62	\$17,748.79	-34.45%	157	Murdo	1.00%	2.00%	\$500,207.01	\$473,888.83	-5.26%
108	Hosmer	-	2.00%	\$51,382.54	\$67,382.91	31.14%	158	New Effington	-	2.00%	\$49,146.92	\$51,619.15	5.03%
109	Hot Springs	1.00%	2.00%	\$1,654,522.53	\$1,606,459.11	-2.90%	159	New Underwood	-	2.00%	\$101,664.45	\$100,988.37	-0.67%
110	Hoven	-	2.00%	\$180,328.65	\$178,320.94	-1.11%	160	Newell	-	2.00%	\$210,657.16	\$201,645.73	-4.28%
111	Howard	-	2.00%	\$397,525.48	\$381,406.84	-4.05%	161	Nisland	-	2.00%	\$23,379.73	\$22,912.76	-2.00%
112	Hudson	-	2.00%	\$131,887.94	\$127,380.02	-3.42%	162	North Sioux City	1.00%	2.00%	\$2,705,410.56	\$2,432,956.15	-10.07%
113	Humboldt	1.00%	2.00%	\$170,805.75	\$188,421.58	10.31%	163	Oacoma	1.00%	1.00%	\$728,287.06	\$619,536.35	-14.93%
114	Hurley	1.00%	2.00%	\$58,882.83	\$59,057.85	0.30%	164	Oldham	-	2.00%	\$16,433.34	\$20,632.65	25.55%
115	Huron	1.00%	2.00%	\$6,933,583.16	\$7,142,961.48	3.02%	165	Olivet	-	1.00%	\$7,543.45	\$8,263.34	9.54%
116	Interior	-	1.90%	\$39,476.48	\$36,505.21	-7.53%	166	Onida	-	2.00%	\$253,674.18	\$221,651.31	-12.62%
117	Ipswich	-	2.00%	\$447,402.56	\$492,430.41	10.06%	167	Orient	-	1.00%	\$14,970.50	\$14,479.51	-3.28%
118	Irene	1.00%	2.00%	\$127,944.12	\$106,632.28	-16.66%	168	Parker	-	2.00%	\$298,384.87	\$333,771.82	11.86%
119	Iroquois	-	1.00%	\$28,268.33	\$28,991.69	2.56%	169	Parkston	1.00%	2.00%	\$613,611.94	\$648,071.83	5.62%
120	Isabel	-	2.00%	\$80,699.73	\$76,689.57	-4.97%	170	Peever	-	2.00%	\$22,901.82	\$19,017.13	-16.96%
121	Java	-	2.00%	\$15,402.70	\$17,325.57	12.48%	171	Phillip	-	2.00%	\$563,753.66	\$478,346.83	-15.15%
122	Jefferson	-	2.00%	\$108,698.82	\$128,143.05	17.89%	172	Pickstown	-	2.00%	\$81,149.81	\$79,254.71	-2.34%
123	Kadoka	1.00%	2.00%	\$292,417.44	\$289,966.78	-0.84%	173	Piedmont	-	2.00%	\$221,520.75	\$213,754.69	-3.51%
124	Kennebec	1.00%	2.00%	\$241,601.02	\$105,685.27	-56.26%	174	Pierpont	-	2.00%	\$16,165.60	\$16,473.87	1.91%
125	Keystone	1.00%	2.00%	\$930,202.69	\$966,051.32	3.85%	175	Pierre	1.00%	2.00%	\$8,388,421.14	\$8,333,112.64	-0.66%
126	Kimball	1.00%	1.00%	\$332,855.10	\$317,518.92	-4.61%	176	Plankinton	-	2.00%	\$218,512.91	\$198,770.29	-9.03%
127	Kranzburg	-	2.00%	\$26,382.54	\$29,048.49	10.10%	177	Platte	1.00%	2.00%	\$692,315.47	\$730,824.77	5.56%
128	La Bolt	-	1.00%	\$9,146.81	\$22,883.40	150.18%	178	Pollock	1.00%	2.00%	\$121,361.51	\$122,291.21	0.77%
129	Lake Andes	-	2.00%	\$150,854.36	\$181,074.18	20.03%	179	Presho	-	2.00%	\$177,510.57	\$159,702.20	-10.03%
130	Lake Norden	-	2.00%	\$184,385.52	\$248,011.94	34.51%	180	Pringle	-	2.00%	\$24,267.01	\$28,644.52	18.04%
131	Lake Preston	-	2.00%	\$168,268.68	\$167,873.90	-0.23%	181	Pukwana	-	2.00%	\$42,294.77	\$43,040.02	1.76%
132	Langford	-	2.00%	\$72,688.64	\$64,843.12	-10.79%	182	Quinn	1.00%	1.00%	\$6,151.91	\$6,518.77	5.96%
133	Lead	1.00%	2.00%	\$778,068.21	\$761,774.59	-2.09%	183	Ramona	-	2.00%	\$12,356.84	\$29,647.47	139.93%
134	Lemmon	1.00%	2.00%	\$727,120.32	\$634,775.60	-12.70%	184	Rapid City	1.00%	2.00%	\$59,350,162.99	\$59,001,263.19	-0.59%
135	Lennox	1.00%	2.00%	\$544,829.26	\$625,118.94	14.74%	185	Redfield	1.00%	2.00%	\$1,062,450.83	\$995,849.80	-6.27%
136	Leola	-	2.00%	\$109,590.78	\$109,150.70	-0.40%	186	Reliance	1.00%	2.00%	\$108,225.96	\$50,443.41	-53.39%
137	Lesterville	-	2.00%	\$39,842.67	\$25,436.08	-36.16%	187	Reville	-	1.00%	\$43,634.05	\$27,395.16	-37.22%
138	Letcher	1.00%	2.00%	\$35,590.76	\$37,357.74	4.96%	188	Roscoe	-	2.00%	\$141,558.15	\$122,915.81	-13.17%
139	Madison	1.00%	2.00%	\$3,163,324.07	\$3,289,350.01	3.98%	189	Rosholt	-	1.00%	\$79,763.61	\$88,472.38	10.92%
140	Marion	-	2.00%	\$288,423.31	\$264,149.81	-8.42%	190	Roslyn	-	2.00%	\$35,524.14	\$38,057.95	7.13%
141	Martin	1.00%	1.00%	\$500,244.74	\$496,638.07	-0.72%	191	Saint Lawrence	-	2.00%	\$47,026.05	\$37,059.82	-21.19%
142	McIntosh	-	2.00%	\$38,983.38	\$51,141.35	31.19%	192	Salem	1.00%	2.00%	\$498,654.20	\$494,257.94	-0.88%
143	McLaughlin	-	1.00%	\$154,452.33	\$89,484.35	-42.06%	193	Scotland	-	2.00%	\$316,535.90	\$300,675.90	-5.01%
144	Mellette	-	2.00%	\$55,738.79	\$53,967.46	-3.18%	194	Selby	-	2.00%	\$239,280.10	\$222,256.43	-7.11%
145	Menno	-	2.00%	\$221,879.75	\$250,257.53	12.79%	195	Sherman	-	1.00%	\$5,606.47	\$4,939.68	-11.89%
146	Midland	-	2.00%	\$95,424.61	\$75,898.29	-20.46%	196	Sioux Falls	1.00%	2.00%	\$125,387,622.30	\$127,020,473.05	1.30%
147	Milbank	1.00%	2.00%	\$2,429,161.06	\$2,255,862.03	-7.13%	197	Sioux Falls - Lodging	-	1.00%	\$1,005,959.16	\$1,045,261.41	3.91%
148	Miller	1.00%	2.00%	\$775,226.80	\$764,126.29	-1.43%	198	Sisseton	1.00%	2.00%	\$1,123,106.69	\$1,132,410.78	0.83%
149	Mission	-	2.00%	\$393,605.55	\$416,486.34	5.81%	199	South Shore	-	2.00%	\$25,521.07	\$13,159.03	-48.44%
150	Mitchell	1.00%	2.00%	\$11,880,415.88	\$11,614,278.49	-2.24%	200	Spearfish	1.00%	2.00%	\$8,193,592.17	\$8,068,158.68	-1.53%

#	City	FY2017 MGRT Rate	Sales/Use Tax Rate	FY2016	FY2017	% Change
201	Spencer	-	2.00%	\$18,908.23	\$18,770.76	-0.73%
202	Springfield	-	2.00%	\$217,300.16	\$200,304.27	-7.82%
203	Stickney	-	2.00%	\$123,913.00	\$115,542.99	-6.75%
204	Stratford	1.00%	2.00%	\$17,845.76	\$17,158.13	-3.85%
205	Sturgis	1.00%	2.00%	\$4,072,169.75	\$3,602,709.43	-11.53%
206	Summerset	1.00%	2.00%	\$508,785.03	\$568,731.32	11.78%
207	Summit	-	2.00%	\$136,782.30	\$160,768.91	17.54%
208	Tabor	-	2.00%	\$94,177.97	\$92,590.87	-1.69%
209	Tea	1.00%	2.00%	\$1,323,596.72	\$1,276,960.97	-3.52%
210	Timber Lake	-	2.00%	\$160,754.30	\$189,252.68	17.73%
211	Toronto	-	1.00%	\$45,689.43	\$52,561.04	15.04%
212	Trent	-	1.00%	\$12,883.78	\$13,721.14	6.50%
213	Tripp	-	2.00%	\$114,590.56	\$99,806.19	-12.90%
214	Tulare	-	1.00%	\$50,430.27	\$57,636.04	14.29%
215	Tyndall	-	2.00%	\$290,835.90	\$285,366.04	-1.88%
216	Utica	-	1.00%	\$7,041.18	\$8,771.37	24.57%
217	Valley Springs	-	2.00%	\$95,222.92	\$102,503.39	7.65%
218	Veblen	1.00%	2.00%	\$67,919.32	\$56,203.80	-17.25%
219	Vermillion	1.00%	2.00%	\$4,121,968.14	\$3,898,724.78	-5.42%
220	Viborg	1.00%	2.00%	\$253,801.49	\$268,777.35	5.90%
221	Volga	-	2.00%	\$460,637.59	\$483,686.12	5.00%
222	Volin	1.00%	2.00%	\$18,231.07	\$20,045.68	9.95%
223	Wagner	-	2.00%	\$777,913.11	\$758,471.43	-2.50%
224	Wakonda	-	1.00%	\$75,207.04	\$76,482.63	1.70%
225	Wall	1.00%	2.00%	\$1,371,306.82	\$1,357,920.93	-0.98%
226	Wallace	-	1.00%	\$16,280.47	\$14,252.37	-12.46%
227	Ward	-	2.00%	\$17,919.72	\$17,263.46	-3.66%
228	Warner	-	2.00%	\$66,377.67	\$69,421.31	4.59%
229	Wasta	-	1.00%	\$3,406.47	\$5,272.67	54.78%
230	Watertown	1.00%	2.00%	\$15,171,884.06	\$15,173,327.48	0.01%
231	Waubay	-	2.00%	\$116,503.18	\$118,636.31	1.83%
232	Webster	1.00%	2.00%	\$1,014,673.53	\$1,070,840.78	5.54%
233	Wentworth	-	2.00%	\$40,896.04	\$36,423.72	-10.94%
234	Wessington	-	2.00%	\$74,646.87	\$61,202.28	-18.01%
235	Wessington Springs	-	2.00%	\$340,119.48	\$350,505.90	3.05%
236	Westport	-	2.00%	\$12,273.01	\$16,323.33	33.00%
237	White	-	2.00%	\$67,196.84	\$70,156.18	4.40%
238	White Lake	1.00%	2.00%	\$89,169.43	\$92,096.93	3.28%
239	White River	-	2.00%	\$138,458.67	\$147,731.37	6.70%
240	Whitewood	1.00%	2.00%	\$289,562.41	\$290,306.21	0.26%
241	Willow Lake	-	2.00%	\$103,411.97	\$80,453.82	-22.20%
242	Wilmot	-	2.00%	\$130,227.86	\$130,297.65	0.05%
243	Winner	1.00%	2.00%	\$1,650,815.11	\$1,657,581.49	0.41%
244	Witten	-	2.00%	\$5,740.41	\$8,273.44	44.13%
245	Wolsey	-	2.00%	\$134,237.03	\$135,496.66	0.94%
246	Wood	-	2.00%	\$12,857.83	\$12,584.17	-2.13%
247	Woonsocket	-	2.00%	\$163,802.05	\$181,082.52	10.55%
248	Worthing	1.00%	2.00%	\$140,101.88	\$128,483.16	-8.29%
249	Yale	-	1.00%	\$15,824.59	\$13,625.78	-13.89%
250	Yankton	1.00%	2.00%	\$9,455,063.05	\$9,528,288.30	0.77%

Statewide Totals

During Fiscal Year 2017, \$363,700,430.82 in municipal taxes was collected throughout the state. This is a .03% increase from Fiscal Year 2016's total of \$363,584,599.65.



Our updated TaxMatch system allows you to instantly find tax rates for and South Dakota community.

Simply type in any South Dakota address to find your rates.

You may also upload an Excel spreadsheet to find rates for separate transactions in multiple municipalities.

To get started, visit the department website and click on the TaxMatch logo under e-services.

Taxable Valuations by County

The following chart indicates the amount of taxable value in each of South Dakota's 66 counties, broken out by the class of property. The "Other" category includes residential property not occupied by the owner, commercial property, and utility property.

County	Ag Real Valuation	Occupied Valuation	Other Valuation	Valuation
AURORA	702,638,130	46,047,953	28,014,360	776,700,443
BEADLE	1,419,087,546	533,824,639	410,478,735	2,363,390,920
BENNETT	184,773,898	22,675,993	11,691,224	219,141,115
BON HOMME	660,549,748	115,553,308	57,250,234	833,353,290
BROOKINGS	953,871,375	1,163,766,085	966,923,904	3,084,561,364
BROWN	1,869,951,757	1,433,281,898	906,920,082	4,210,153,737
BRULE	777,437,747	150,994,960	116,374,480	1,044,807,187
BUFFALO	183,433,345	1,528,292	1,256,321	186,217,958
BUTTE	279,656,338	336,956,715	193,908,117	810,521,170
CAMPBELL	525,643,146	38,657,269	52,850,255	617,150,670
CHARLES MIX	1,015,970,026	191,810,978	143,596,188	1,351,377,192
CLARK	964,653,997	61,107,850	105,356,357	1,131,118,204
CLAY	585,102,252	339,488,625	234,126,564	1,158,717,441
CODINGTON	654,885,726	1,202,544,985	720,060,774	2,577,491,485
CORSON	365,923,352	16,695,937	50,636,696	433,255,985
CUSTER	148,210,253	506,292,507	355,665,147	1,010,167,907
DAVISON	478,769,610	681,452,345	515,919,948	1,676,141,903
DAY	943,073,758	187,260,912	246,626,139	1,376,960,809
DEUEL	639,002,384	136,731,543	113,562,099	889,296,026
DEWEY	293,946,444	19,800,959	22,226,522	335,973,925
DOUGLAS	507,437,824	54,753,244	28,489,004	590,680,072
EDMUNDS	1,115,531,698	131,447,567	168,244,111	1,415,223,376
FALL RIVER	144,730,140	227,189,540	215,472,407	587,392,087
FAULK	1,027,488,953	32,911,935	45,522,415	1,105,923,303
GRANT	638,613,179	215,203,507	246,451,438	1,100,268,124
GREGORY	493,480,377	87,549,935	49,384,217	630,414,529
HAAKON	502,346,426	33,870,718	37,746,412	573,963,556
HAMLIN	688,005,948	225,615,812	141,216,701	1,054,838,461
HAND	1,360,135,594	84,298,528	53,590,715	1,498,024,837
HANSON	494,701,241	103,429,314	54,748,894	652,879,449
HARDING	244,020,966	29,279,068	49,591,006	322,891,040
HUGHES	453,363,470	775,982,323	428,298,387	1,657,644,180
HUTCHINSON	1,043,786,823	171,402,581	125,572,169	1,340,761,573

County	Ag Real Valuation	Occupied Valuation	Other Valuation	Valuation
HYDE	613,736,583	28,701,583	31,333,101	673,771,267
JACKSON	283,439,391	21,693,574	19,226,527	324,359,492
JERAULD	484,808,303	40,393,537	41,752,265	566,954,105
JONES	303,015,653	17,390,130	19,880,492	340,286,275
KINGSBURY	1,044,122,927	148,213,120	138,057,497	1,330,393,544
LAKE	751,572,555	474,628,340	295,162,135	1,521,363,030
LAWRENCE	65,933,422	1,281,362,754	1,200,074,944	2,547,371,120
LINCOLN	742,625,152	3,517,628,138	1,391,128,620	5,651,381,910
LYMAN	670,808,065	63,503,312	63,076,869	797,388,246
MARSHALL	730,838,484	150,954,700	126,500,390	1,008,293,574
MC COOK	740,294,264	164,775,661	76,276,256	981,346,181
MC PHERSON	663,175,201	46,100,888	39,873,857	749,149,946
MEADE	627,129,482	1,169,187,277	463,152,824	2,259,469,583
MELLETTTE	217,039,405	13,888,560	7,983,688	238,911,653
MINER	620,400,237	40,882,184	77,595,727	738,878,148
MINNEHAHA	889,901,626	7,767,409,754	5,200,199,551	13,857,510,931
MOODY	773,700,026	183,727,100	51,749,282	1,009,176,408
OGLALA LAKOTA	40,509,790	2,069,430	5,089,785	47,669,005
PENNINGTON	389,023,248	4,748,943,190	3,616,330,547	8,754,296,985
PERKINS	640,569,056	56,236,689	38,266,351	735,072,096
POTTER	786,901,996	57,598,318	48,623,379	893,123,693
ROBERTS	671,762,618	159,283,737	110,903,309	941,949,664
SANBORN	500,312,921	45,516,899	26,328,473	572,158,293
SPINK	1,762,549,589	135,050,116	163,721,409	2,061,321,114
STANLEY	304,324,279	159,526,651	104,427,186	568,278,116
SULLY	918,465,116	49,276,786	76,670,465	1,044,412,367
TODD	161,152,314	14,757,369	13,794,892	189,704,575
TRIPP	873,277,525	109,282,941	60,613,154	1,043,173,620
TURNER	862,281,155	329,788,030	165,871,893	1,357,941,078
UNION	668,802,306	909,815,890	386,524,070	1,965,142,266
WALWORTH	575,941,908	149,978,840	113,016,130	838,936,878
YANKTON	631,091,441	847,117,371	497,828,825	1,976,037,637
ZIEBACH	273,587,604	3,821,113	8,174,904	285,583,621



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