

State of South Dakota

NINETY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 2019

553B0435

HOUSE TAXATION ENGROSSED NO. **HB 1118** - 1/31/2019

Introduced by: Representatives Johnson (David), Frye-Mueller, Goodwin, Latterell, Pischke, Schoenfish, and York and Senators Russell, Jensen (Phil), Nelson, and Solano

1 FOR AN ACT ENTITLED, An Act to revise provisions regarding excise taxes on the purchase
2 price of motor vehicles.

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

4 Section 1. That § 32-5B-4 be amended to read:

5 32-5B-4. For the purposes of this chapter, the purchase price is:

- 6 (1) For a new motor vehicle sale or lease, the total consideration whether received in
7 money or otherwise. ~~However,~~ For purposes of this subdivision, total consideration
8 is less any credit or trade-in value allowed by the seller when a motor vehicle is taken
9 in trade as a credit or part payment on a new motor vehicle, ~~the credit or trade-in~~
10 ~~value allowed by the seller shall be deducted from the total consideration for the new~~
11 ~~motor vehicle to establish the purchase price~~ and does not include any applied rebate;
- 12 (2) For a used motor vehicle sold or leased by a licensed motor vehicle dealer, the total
13 consideration for the used motor vehicle whether received in money or otherwise.
14 ~~However,~~ For purposes of this subdivision, total consideration is less any credit or



1 ~~trade-in value allowed by the dealer~~ when a motor vehicle is taken in trade by the
2 ~~dealer~~ as a credit or part payment on a used motor vehicle, ~~the credit or trade-in value~~
3 ~~allowed by the dealer shall be deducted from the consideration so that the net~~
4 ~~consideration is established~~ and does not include any applied rebate;

5 (3) For a used motor vehicle sold, leased, or transferred by any person other than a
6 licensed motor vehicle dealer, the total consideration received in money or otherwise.
7 ~~However,~~ For the purposes of this subdivision, total consideration is less any credit
8 or trade-in value allowed by the person when a motor vehicle is taken in trade as a
9 credit or part payment on a used motor vehicle, ~~the credit or trade-in value shall be~~
10 ~~deducted from the total consideration so that the net consideration is established.~~ The
11 purchaser and seller of the motor vehicle shall submit to the county treasurer a bill
12 of sale, approved and supplied by the secretary. If a bill of sale is not submitted, the
13 excise tax will be assessed on the retail value as stated in a nationally recognized
14 dealers' guide as approved by the secretary of revenue. If the excise tax is assessed
15 on the retail value, the value of the motor vehicle taken in as credit on trade-in shall
16 be the retail value as stated in the nationally recognized dealers' guide;

17 (4) For a new or used motor vehicle acquired by gift or other transfer for no or nominal
18 consideration, the manufacturers' suggested dealer list price for new motor vehicles
19 and for used motor vehicles the retail value stated in a nationally recognized dealers'
20 guide approved and furnished by the secretary of revenue;

21 (5) For a motor vehicle manufactured by a person who registers it under the laws of this
22 state, the amount expended for materials, labor, and other properly allocable costs of
23 manufacture or in the absence of actual expenditures for the manufacture of a part or
24 all of the motor vehicle, the reasonable value of the completed motor vehicle;

- 1 (6) For a rebuilt motor vehicle, upon its initial registration and titling, the total
2 consideration for the salvage vehicle, whether received in money or otherwise, and
3 the total consideration for any assemblies, subassemblies, parts, or component parts
4 used;
- 5 (7) For either a new or used motor vehicle, as defined by § 32-5B-21, which is a closed
6 lease, the total consideration whether received in money or otherwise. Total
7 consideration is all lease payments including cash, rebates, the net trade-in, extended
8 warranties, administrative fees, acquisition fees, or any other fees assessed on the
9 purchase of the vehicle. Total consideration does not include title fees, registration
10 fees, vehicle excise tax paid pursuant to §§ 32-5B-1, 32-5B-1.1, and 32-5B-21 to 32-
11 5B-24, inclusive, federal excise taxes attributable to the sale of the vehicle to the
12 owner or to the lease of the vehicle by the owner, insurance, and refundable deposits;
- 13 (8) For either a new or used motor vehicle, as defined by § 32-5B-21, which is leased,
14 and the terms of the lease are either not certain at the time the lease contract is
15 executed or the lease is open ended, the purchase price shall be the total
16 consideration whether received in money or otherwise. Total consideration includes
17 the purchase price of the vehicle, plus cash, rebates, the net trade-in, extended
18 warranties, administrative fees, acquisition fees, or any other fees assessed on the
19 purchase of the vehicle. Total consideration does not include title fees, registration
20 fees, vehicle excise tax paid pursuant to §§ 32-5B-1, 32-5B-1.1, and 32-5B-21 to 32-
21 5B-24, inclusive, federal excise taxes attributable to the sale of the vehicle to the
22 owner or to the lease of the vehicle by the owner, insurance, and refundable deposits.