

State of South Dakota

EIGHTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2011

724S0511

HOUSE BILL NO. 1147

Introduced by: Representatives Solum, Brunner, Fargen, Hoffman, Hunhoff (Bernie), Kopp, Moser, Rausch, Russell, Vanneman, and Willadsen and Senators Hansen (Tom), Frerichs, Fryslie, Garnos, Lederman, Maher, Nelson (Tom), Rhoden, and Sutton

1 FOR AN ACT ENTITLED, An Act to revise the taxation of rural electric companies with
2 respect to receipts collected for compliance with certain environmental laws.

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

4 Section 1. That § 10-36-5 be amended to read as follows:

5 10-36-5. On April fifteenth of each year, each company shall file with the secretary of
6 revenue and regulation on forms prescribed by ~~him~~ the secretary a report of its gross receipts
7 derived from furnishing electric energy during the preceding calendar year. The report shall set
8 forth the total gross receipts, the receipts collected by the company to comply with federal and
9 state environmental laws, rules, and regulations related to greenhouse gas emissions or global
10 climate change, and the amount of dividends and patron's credits of the company in the state,
11 ~~together with the total gross receipts and the amount of dividends and patron's credits from~~ for
12 each county in which the company operates and ~~shall further contain the total gross receipts and~~
13 ~~the amount of dividends and patron's credits received by the company within~~ for each school
14 district in each county in which the company operates. The report shall be sworn to and verified



1 by an officer of the company.

2 Section 2. That § 10-36-6 be amended to read as follows:

3 10-36-6. There is levied on each company, as of May first of each year, a tax of two percent
4 upon the gross receipts derived by it from the furnishing of electric energy during the preceding
5 calendar year. Gross receipts for taxation purposes may not include the receipts collected by the
6 company to comply with federal and state environmental laws, rules, and regulations related to
7 greenhouse gas emissions or global climate change, or dividends or distributions to patrons
8 whether paid or credited.

9 Each company taxed pursuant to § 10-36-6 shall receive a credit against the gross receipts
10 tax due and payable if it has contracted jointly or severally for the use of property in this state
11 owned, held under lease, or otherwise by a light or power company defined in § 10-35-2, a
12 consumer power district organized pursuant to chapter 49-35, or a municipal power agency
13 organized pursuant to chapter 9-41A if the property is assessed for taxation pursuant to chapter
14 10-35, subject to an excise tax as provided in § 49-37-13, or taxed as provided in § 9-41A-36.
15 A company taxed pursuant to § 10-36-6 may deduct as a credit from the gross receipts tax to be
16 paid, that portion of the taxes included in the payments by the company to such organizations
17 for the use of the property described in the contract.