

AN ACT

ENTITLED, An Act to revise how the taxes are applied to rural electric companies.

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

Section 1. That § 10-36-6 be amended to read as follows:

10-36-6. There is levied on each company subject to §§ 10-36-1 and 10-36-2, as of May first of each year, a tax of \$0.0016 per kilowatt hour of retail electric energy and a tax of \$0.0008 per kilowatt hour of wholesale electric energy delivered to its customer within the state of South Dakota during the preceding calendar year.

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

Section 2. That § 10-36-3 be amended to read as follows:

10-36-3. Terms used in this chapter mean:

- (1) "Company," any person, corporation, cooperative, or association engaged in the distribution or transmission of electric energy solely within the United States for consumption principally in rural areas;
- (2) "Line," a succession of poles connected by wires regardless of the number of circuits on a particular pole or poles;

- (3) "Personal property," any property used or intended for use by a company in connection with the distribution or transmission of electric energy including all poles, wires, lines, transformers, meters, machinery, fixtures, and all attachments and appurtenances thereto;
- (4) "Retail company," any company engaged in the distribution of retail electric energy for end user consumption principally in rural areas in South Dakota;
- (5) "Rural area," any area not included within the boundaries of any municipality having a population in excess of fifteen hundred inhabitants or the assigned service area or areas of a rural electric cooperative determined pursuant to chapter 49-34A;
- (6) "Wholesale power supplier," any company engaged in the delivery of wholesale electric energy to another company for resale in South Dakota.

Section 3. That § 10-36-4 be amended to read as follows:

10-36-4. Each company as defined in § 10-36-1, shall keep on file with the county auditor of each county through or into which its line or lines run, a map or blueprints showing correctly the location of its line or lines in the county and in each governmental subdivision thereof.

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

10-36-5. On February fifteenth of each year, each retail company on behalf of itself and its wholesale power supplier shall file with the secretary of revenue on forms prescribed by the secretary a report of the number of kilowatt hours of retail and wholesale electric energy subject to taxation pursuant to this chapter apportioned to each county and school district in proportion to electric energy delivered at retail. The report shall be sworn to and verified by an officer of the retail company.

Section 5. That § 10-36-7 be amended to read as follows:

10-36-7. The secretary of revenue shall compute and determine the amount of tax to be paid by each company as provided in § 10-36-6, which shall be remitted by the retail company. The secretary

shall on or before May fifteenth certify to the county auditor of each county in the state in which the company operates the amount of the tax to be paid in the county based on the kilowatt hours delivered. The secretary shall further certify to the county auditor the amount to which each school district shall be entitled in each county based on the kilowatt hours delivered. The county auditor shall extend such tax on the books and certify the same to the county treasurer.

Section 6. That § 10-36-8 be amended to read as follows:

10-36-8. The tax levied by § 10-36-6 shall become due and be payable to the county treasurer of each county in which the retail company operates and as certified by the secretary of revenue on June fifteenth of each year following the filing of the report of kilowatt hours delivered.

Section 7. That § 10-36-9 be amended to read as follows:

10-36-9. If the tax levied under this chapter is not paid on the due date a penalty of five percent of the amount of the tax shall be imposed for each month of such delinquency. Provided further that the tax may be enforced and collected by distress and sale of the personal property of the company.

Section 8. That § 10-36-10 be amended to read as follows:

10-36-10. The county treasurer shall allocate and transmit the taxes collected from each company to the school treasurer of each school district in which the company operates on the basis of the number of kilowatt hours delivered by the company from its operations within each school district within the county.

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I certify that the attached Act  
originated in the

SENATE as Bill No. 123

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

Senate Bill No. 123

File No. \_\_\_\_\_

Chapter No. \_\_\_\_\_

Received at this Executive Office  
this \_\_\_\_ day of \_\_\_\_\_ ,

20\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor

The attached Act is hereby  
approved this \_\_\_\_\_ day of  
\_\_\_\_\_, A.D., 20\_\_

\_\_\_\_\_  
Governor

STATE OF SOUTH DAKOTA,  
ss.  
Office of the Secretary of State

Filed \_\_\_\_\_, 20\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State