



2020 South Dakota Legislature

Senate Bill 125

Introduced by: **Senator Lake**

1 **An Act to revise provisions regarding the exemption from taxation of certain**
 2 **substances used for agricultural purposes.**

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

4 **Section 1.** That § 10-45-16.1 be AMENDED:

5 **10-45-16.1. Exemption of pesticides and related products or substances**
 6 **used for agricultural purposes--Use of funds from tax on endoparasiticides and**
 7 **ectoparasiticides.**

8 There are hereby specifically exempted from the provisions of this chapter and
 9 from the computation of the amount of tax imposed by it, gross receipts from the sale of
 10 pesticides, as defined in § 38-20A-1, to be used exclusively by the purchaser for
 11 agricultural purposes. Any product or substance to be used in conjunction with the
 12 application or use of pesticides for agricultural purposes is also exempt. The products or
 13 substances include adjuvants, surfactants, ammonium sulfate, inoculants, drift retardants,
 14 water conditioners, seed treatments, foam markers, bulk water and foam dyes.
 15 Equipment, other than farm machinery, attachment units, and irrigation equipment used
 16 exclusively for agricultural purposes for the application of pesticides and related products
 17 and substances is not exempt. The tax imposed by this chapter on endoparasiticides and
 18 ectoparasiticides shall be used for veterinary student tuition grants, for South Dakota
 19 residents in the South Dakota State University veterinary program, South Dakota State
 20 University veterinary program operations, and the operations and activities conducted by
 21 the State Animal Disease Research and Diagnostic Laboratory established in § 13-58-13.
 22 The amount of funding initially dedicated to establish the tuition grants and South Dakota
 23 State University veterinary program operations shall be based upon the difference
 24 between in-state and out-of-state tuition for veterinary student grants designated for
 25 South Dakota students at the Iowa State University veterinary program in fiscal year
 26 2020, of which at least seventy-five percent shall be used to fund tuition grants for South

1 Dakota residents in the program. The portion designated for tuition grants shall be
2 adjusted annually based on the difference between the prior year and current year tuition
3 rate for veterinary program at the University of Minnesota, or other future accredited
4 institution of higher education collaborating with South Dakota State University veterinary
5 program for final degree completion. An additional amount of two hundred fifty thousand
6 dollars shall be used to support the operations of the laboratory. The funding shall be
7 budgeted and expended through the general appropriations act pursuant to chapter 4-7.

8 **Section 2.** That § 10-46-17.5 be AMENDED:

9 **10-46-17.5. Exemption of pesticides and related products or substances**
10 **used for agricultural purposes--Use of funds from tax on endoparasiticides and**
11 **ectoparasiticides.**

12 Pesticides, as defined in § 38-20A-1 to be used exclusively for agricultural
13 purposes, are exempt from the tax imposed by this chapter. Any product or substance to
14 be used in conjunction with the application or use of pesticides for agricultural purposes
15 is also exempt. These products or substances include adjuvants, surfactants, ammonium
16 sulfate, inoculants, drift retardants, water conditioners, seed treatments, foam markers,
17 bulk water, and foam dyes. Equipment, other than farm machinery, attachment units, and
18 irrigation equipment used exclusively for agricultural purposes, for the application of
19 pesticides and related products and substances is not exempt. The tax imposed by this
20 chapter on endoparasiticides and ectoparasiticides shall be used for veterinary student
21 tuition grants, for South Dakota residents in the South Dakota State University veterinary
22 program, South Dakota State University veterinary program operations, and the
23 operations and activities conducted by the State Animal Disease Research and Diagnostic
24 Laboratory established in § 13-58-13. The amount of funding initially dedicated to
25 establish the tuition grants and South Dakota State University veterinary program
26 operations shall be based upon the difference between in-state and out-of-state tuition
27 for veterinary student grants designated for South Dakota students at the Iowa State
28 University veterinary program in fiscal year 2020, of which at least seventy-five percent
29 shall be used to fund tuition grants for South Dakota residents in the program. The portion
30 designated for tuition grants shall be adjusted annually based on the difference between
31 the prior year and current year tuition rate for the veterinary program at the University of
32 Minnesota, or other future accredited institution of higher education collaborating with
33 South Dakota State University veterinary program for final degree completion. An
34 additional amount of two hundred fifty thousand dollars shall be used to support the

- 1 operations of the laboratory. The funding shall be budgeted and expended through the
- 2 general appropriations act pursuant to chapter 4-7.