

# State of South Dakota

EIGHTY-EIGHTH SESSION  
LEGISLATIVE ASSEMBLY, 2013

915U0350

## SENATE BILL NO. 91

Introduced by: Senators Begalka, Lucas, and Otten (Ernie) and Representatives Nelson, Hickey, Kaiser, Kopp, Olson (Betty), Parsley, Peterson, Russell, and Stalzer

1 FOR AN ACT ENTITLED, An Act to reduce the rate for the contractor's excise tax over a  
2 period of time and to repeal the contractor's excise tax in three years.

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

4 Section 1. That § 10-46A-1 be amended to read as follows:

5 10-46A-1. There is imposed an excise tax upon the gross receipts of all prime contractors  
6 engaged in realty improvement contracts, at the rate of ~~two~~ one and one-half percent.

7 Section 2. That § 10-46B-1 be amended to read as follows:

8 10-46B-1. There is imposed an excise tax upon the gross receipts of all prime contractors  
9 and subcontractors engaged in realty improvement contracts for those persons subject to tax  
10 under chapter 10-28, 10-33, 10-34, 10-35, 10-36, or 10-36A or any municipal telephone  
11 company subject to chapter 9-41 or any rural water system, at the rate of ~~two~~ one and one-half  
12 percent. Notwithstanding the provisions of this section, the tax imposed by this chapter does not  
13 apply to the construction of a power generation facility as defined by § 10-45B-1.

14 Section 3. That § 10-46A-1 be amended to read as follows:

15 10-46A-1. There is imposed an excise tax upon the gross receipts of all prime contractors



1 engaged in realty improvement contracts, at the rate of ~~two~~ one percent.

2 Section 4. That § 10-46B-1 be amended to read as follows:

3 10-46B-1. There is imposed an excise tax upon the gross receipts of all prime contractors  
4 and subcontractors engaged in realty improvement contracts for those persons subject to tax  
5 under chapter 10-28, 10-33, 10-34, 10-35, 10-36, or 10-36A or any municipal telephone  
6 company subject to chapter 9-41 or any rural water system, at the rate of ~~two~~ one percent.

7 Notwithstanding the provisions of this section, the tax imposed by this chapter does not apply  
8 to the construction of a power generation facility as defined by § 10-45B-1.

9 Section 5. The provisions of sections 3 and 4 of this Act are effective on July 1, 2014.

10 Section 6. That § 10-46A-1 be amended to read as follows:

11 10-46A-1. There is imposed an excise tax upon the gross receipts of all prime contractors  
12 engaged in realty improvement contracts, at the rate of ~~two~~ one-half percent.

13 Section 7. That § 10-46B-1 be amended to read as follows:

14 10-46B-1. There is imposed an excise tax upon the gross receipts of all prime contractors  
15 and subcontractors engaged in realty improvement contracts for those persons subject to tax  
16 under chapter 10-28, 10-33, 10-34, 10-35, 10-36, or 10-36A or any municipal telephone  
17 company subject to chapter 9-41 or any rural water system, at the rate of ~~two~~ one-half percent.

18 Notwithstanding the provisions of this section, the tax imposed by this chapter does not apply  
19 to the construction of a power generation facility as defined by § 10-45B-1.

20 Section 8. The provisions of sections 6 and 7 of this Act are effective on July 1, 2015.

21 Section 9. That §§ 10-46A-1 to 10-46A-19, inclusive, be repealed.

22 Section 10. That §§ 10-46B-1 to 10-46B-18, inclusive, be repealed.

23 Section 11. The provisions of sections 9 and 10 of this Act are effective on July 1, 2016.