



2020 South Dakota Legislature

House Bill 1287

Introduced by: **Representative** Gosch

- 1 **An Act to provide exemption of certain taxes for certain nursing home providers and**
2 **community service providers.**

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

4 **Section 1.** That § 10-45-14 be AMENDED:

- 5 **10-45-14. Exemption for educational institutions and hospitals--Exceptions--**
6 **-Limitations--Requirement.**

7 There are specifically exempted from the provisions of this chapter and from the
8 computation of the amount of tax imposed by it, the gross receipts from sales of tangible
9 personal property, any product transferred electronically, and services to and for use by
10 religious educational institutions, private educational institutions currently recognized as
11 exempt under section 501(c)(3) of the Internal Revenue Code as in effect on January 1,
12 2011,~~and nonprofit, charitable hospitals, nonprofit long-term care facilities, long-term~~
13 care facilities operated by a nonprofit, charitable hospital, and nonprofit community
14 service providers when purchases are made by authorized officials, payment made from
15 the institution funds and title to the property retained in the name of such institution. For
16 the purposes of this section, a private educational institution shall be defined as an
17 institution currently recognized as exempt under section 501(c)(3) of the Internal Revenue
18 Code as in effect on January 1, 2011, maintaining a campus physically located within this
19 state; and accredited by the South Dakota Department of Education or the North Central
20 Association of Colleges and Schools. For the purposes of this section, a religious
21 educational institution shall be defined as an institution currently recognized as exempt
22 under section 501(c)(3) of the Internal Revenue Code as in effect on January 1, 2011,
23 that maintains a campus physically located within this state.

24 This exemption does not extend to sales to or purchases of tangible personal property
25 or any product transferred electronically for the personal use of officials, members or

1 employees of such institutions or to sales to or purchases of tangible personal property or
2 any product transferred electronically used in the operation of a taxable retail business.

3 The exemption provided in this section does not, in any manner, relieve the institution
4 from the payment of the additional and further license fee imposed on the registration of
5 motor vehicles.

6 Each institution claiming this exemption shall prepare and maintain a list of all
7 purchases on which the exemption was claimed, fully itemized, showing name and address
8 of vendors, description of property purchased, date or dates of purchase, purchase price,
9 and brief explanation of use or intended use.

10 **Section 2.** That § 10-45-47.1 be AMENDED:

11 **10-45-47.1. Promulgation of rules.**

12 The secretary of revenue may promulgate rules pursuant to chapter 1-26
13 concerning:

- 14 (1) Licensing, including bonding and filing license applications;
15 (2) The filing of returns and payment of the tax;
16 (3) Determining the application of the tax and exemptions;
17 (4) Taxpayer record-keeping requirements;~~and~~
18 (5) Determining auditing methods; and
19 (6) The defining of the entities that qualify as a nonprofit long-term care facility or a
20 nonprofit community service provider for an exemption under § 10-45-14.