

# Workforce Housing Study Committee

Andy Gerlach, Secretary

# Overview

---

---

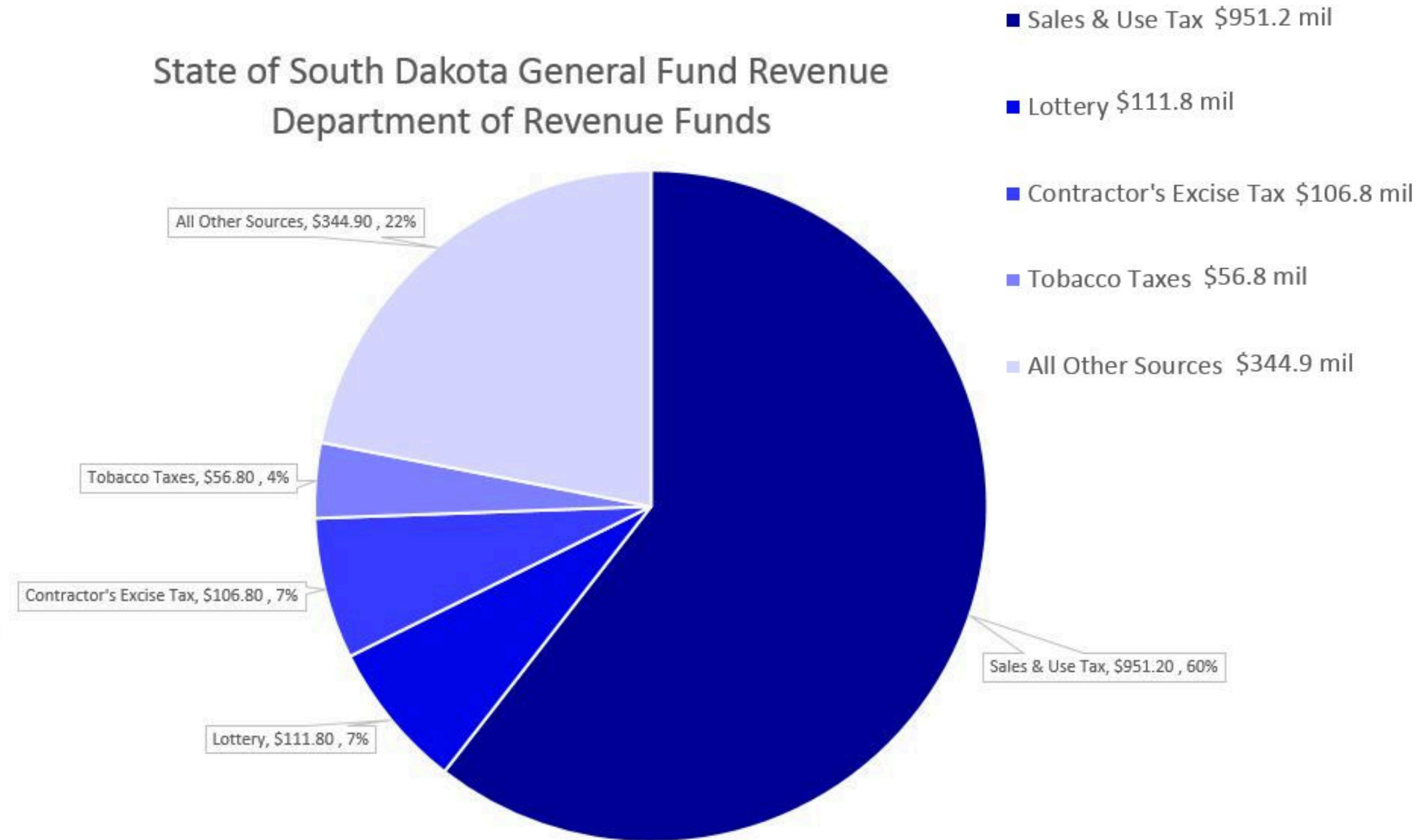
» Contractor's Excise Tax

» GOED Reinvestment Payment  
Program

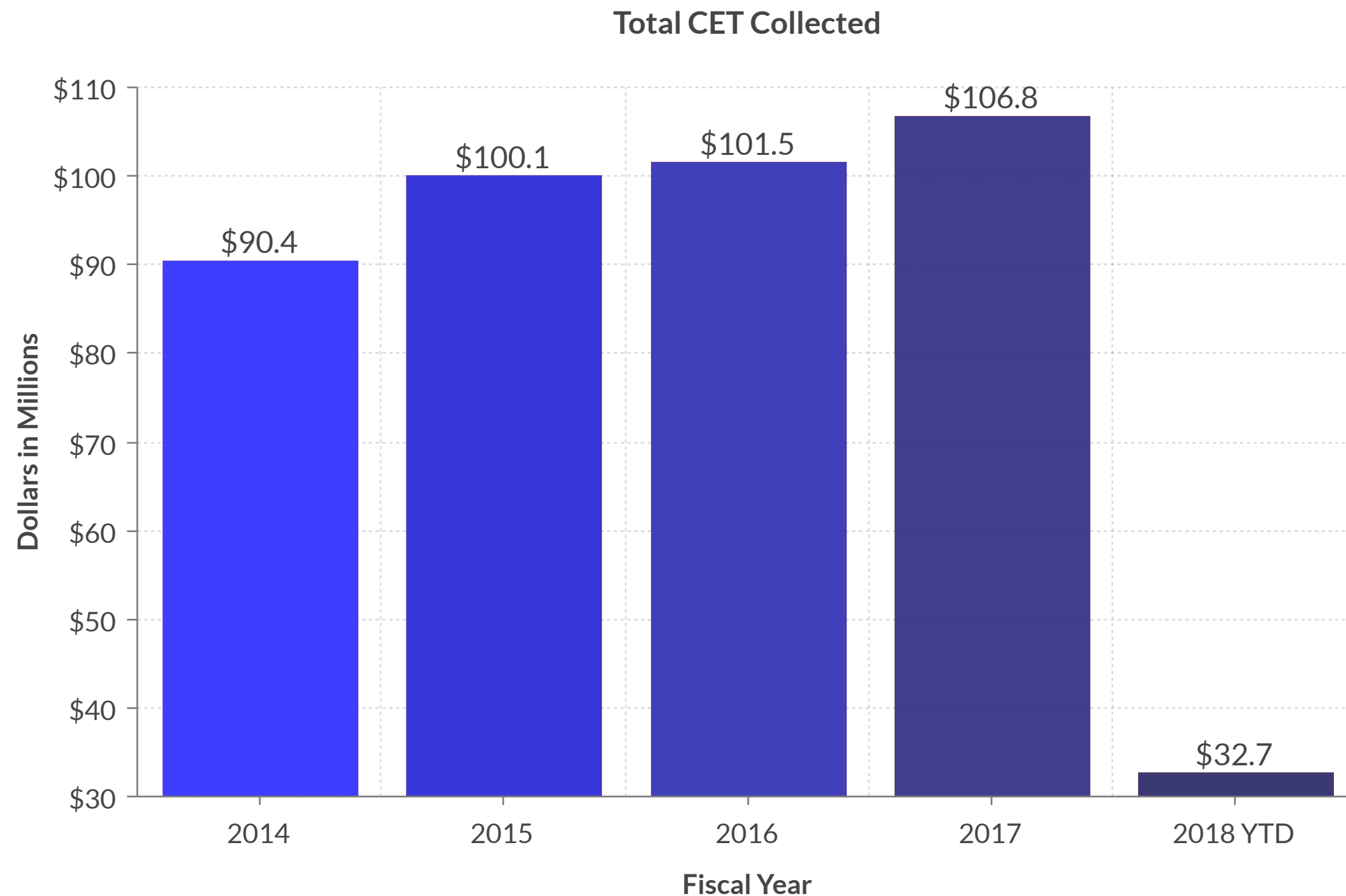
# **Contractor's Excise Tax**

# What is Contractor's Excise Tax?

- 2% tax on gross receipts of all prime contractors engaged in construction services or realty improvement projects in South Dakota. (SDCL chs. 10-46A and 10-46B)
- Contractor's Excise Tax accounts for 7% of South Dakota's General Fund Revenue.



# Contractor's Excise Tax (CET)



**431.5M**

Total CET the last five  
fiscal years

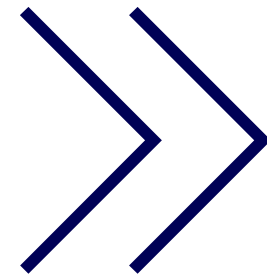


Note: CET dollars shown on this slide are all CET dollars collected by DOR per fiscal year.

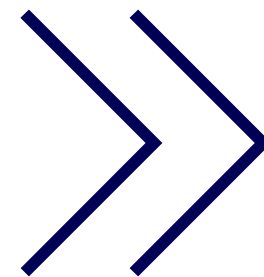
# GOED Program Overview

# GOED Reinvestment Payment Program

GOED Reinvestment  
Payment Program



GOED Building  
South Dakota  
Fund



Five Funds (SDCL 1-16G-48):

- Housing Opportunity Fund
- Economic Development Partnership Fund
- Workforce Education Fund
- REDI Fund
- Local Infrastructure Improvement Grant Fund



# GOED Reinvestment Payment Program:

## Project Review and Funds Transferred

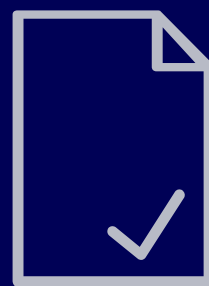
GOED  
Reinvestment  
Payment Program  
Application  
received by GOED

GOED forwards to  
DOR for project tax  
estimate



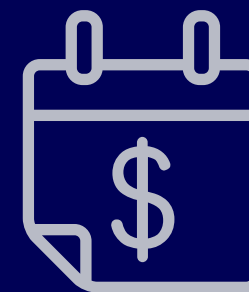
Board of Economic  
Development  
approves or denies  
application

GOED forwards  
approved  
applications to  
DOR



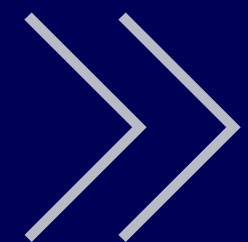
DOR implements  
internal  
withholding  
process

DOR monitors  
quarterly progress  
reports received  
from GOED



Affidavit for  
Reinvestment  
Payment received  
by GOED

Upon approval by  
GOED, DOR  
releases the funds

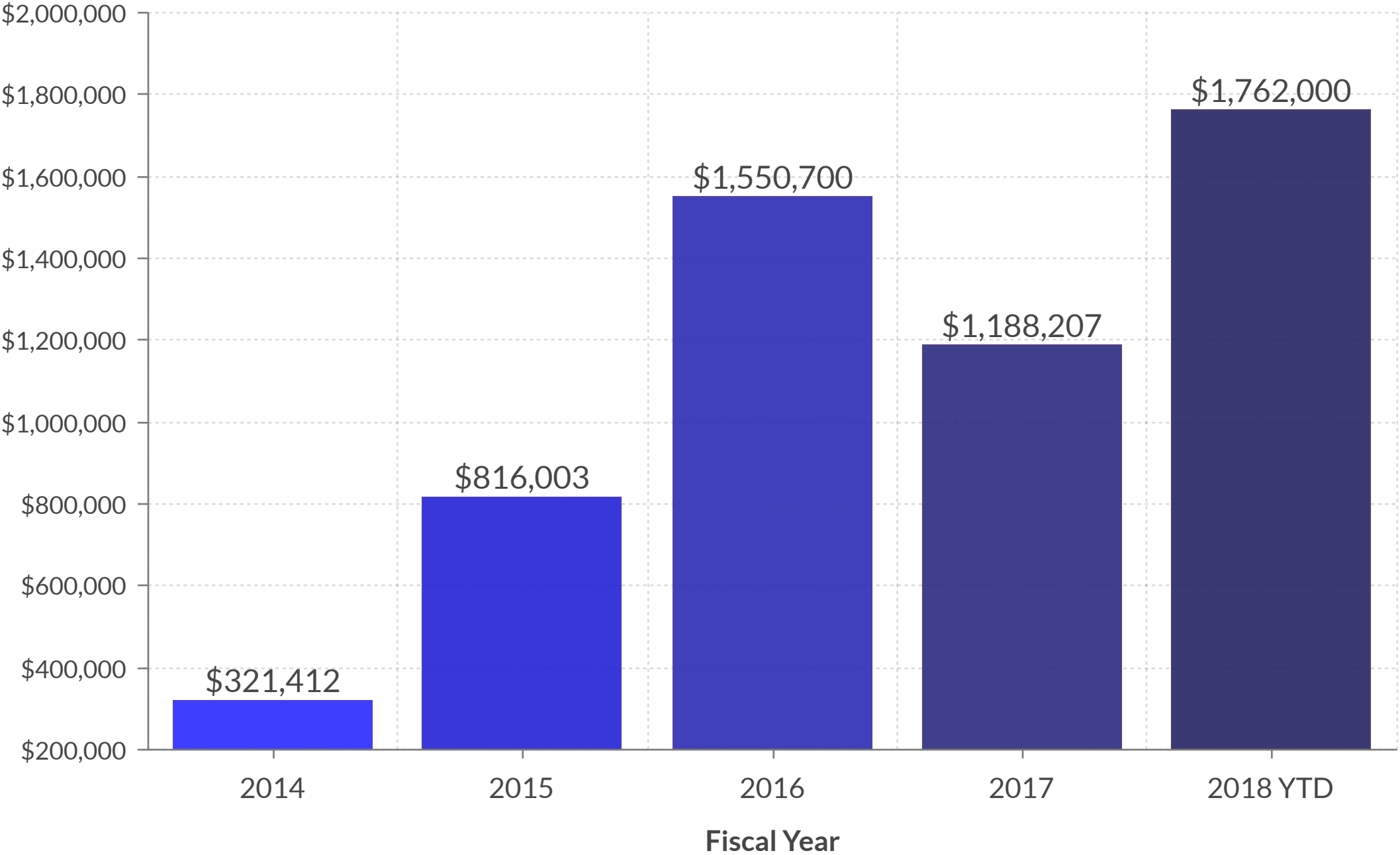


\*Project is not complete until all requirements set by GOED have been met



# Contractor's Excise Tax (CET): Total Captured for GOED Reinvestment Payment Program

Total CET for GOED Reinvestment Payment Program



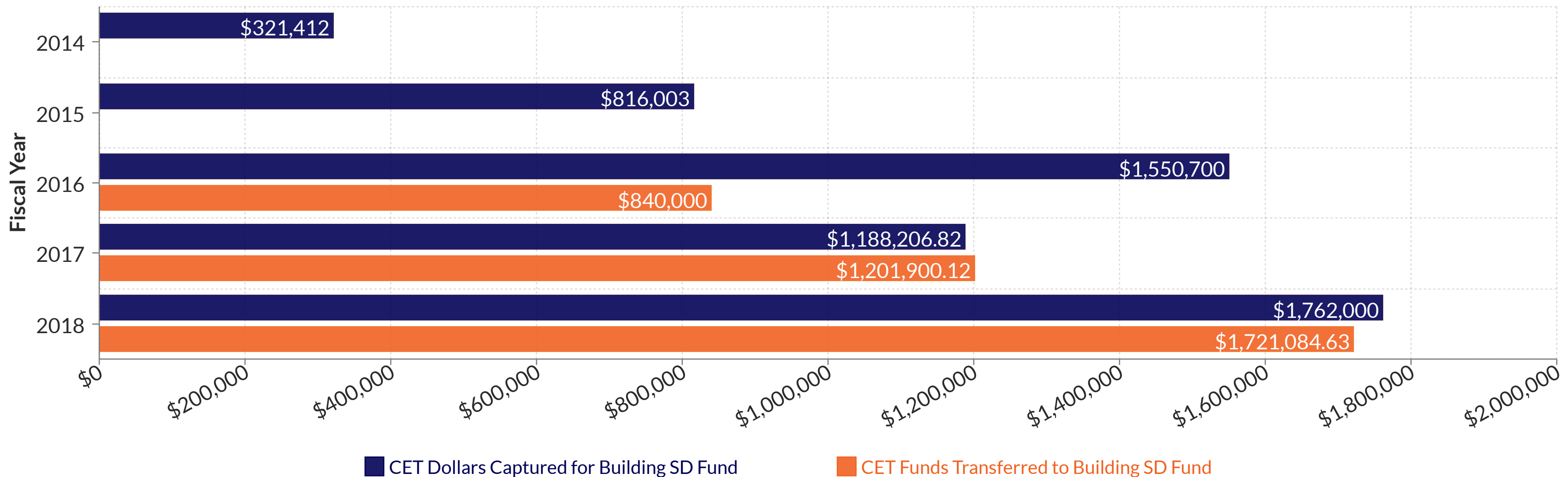
**\$5.6M**  
Total CET captured in  
the last five fiscal years  
for the GOED  
reinvestment program



# GOED Reinvestment Payment Program: Captured vs Transferred

- Funds are captured from the beginning of the project until all GOED requirements are met
- The amount of time between begin date and GOED final approval varies with each project

Dollars Captured & Transferred



# GOED Reinvestment Payment Program

## 12 Approved Projects

---

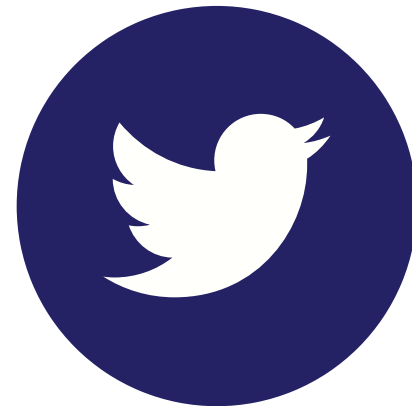
9 Active  
Projects

3 Completed  
Projects

# QUESTIONS?



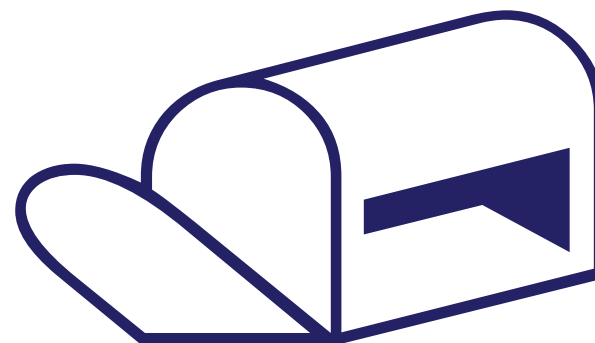
South Dakota  
Department of Revenue



@SDRevenue



South Dakota DOR



Sign-up for our E-Newsletter