

State of South Dakota

EIGHTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2010

400R0200

SENATE BILL NO. 29

Introduced by: The Committee on Taxation at the request of the Department of Revenue and Regulation

1 FOR AN ACT ENTITLED, An Act to revise the exemption of direct mail postage and to define
2 direct mail for certain tax purposes.

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

4 Section 1. That § 10-45-94 be amended to read as follows:

5 10-45-94. There are hereby exempted from the provisions of this chapter and the
6 computation of the tax imposed by it, the gross receipts received by a mailing direct mail service
7 for the cost of United States postage paid by ~~such mailing~~ the direct mail service if the cost of
8 postage, including any markup that is reasonable and customary in the seller's industry, is listed
9 by the mailing direct mail service as a separate line item on the customer's bill ~~and the cost of~~
10 ~~the postage is no greater than the cost of the postage to the mailing service.~~

11 For the purposes of this section, a ~~mailing service is any business that uses the United States~~
12 ~~Postal Service to deliver items for another customer of the mail service, in which said mailing~~
13 ~~service has no financial interest~~ direct mail service is any business that prepares direct mail.

14 Section 2. That chapter 10-45 be amended by adding thereto a NEW SECTION to read as
15 follows:



1 For the purposes of this chapter, the term, direct mail, means any printed material delivered
2 or distributed by United States mail or other delivery service to a mass audience or to addressees
3 on a mailing list provided by the purchaser or at the direction of the purchaser if the cost of the
4 items are not billed directly to the recipients. The term includes tangible personal property
5 supplied directly or indirectly by the purchaser to the direct mail seller for inclusion in the
6 package containing the printed material. The term does not include multiple items of printed
7 material delivered to a single address.

8 Section 3. That subdivision (4) of § 10-45-1 be amended to read as follows:

9 (4) "Delivery charges," charges by the retailer for preparation and delivery to a location
10 designated by the purchaser of tangible personal property, any product transferred
11 electronically, or services including transportation, shipping, postage, handling,
12 crating, and packing. The term does not include postage for direct mail;

13 Section 4. That subdivision (3) of § 10-46-1 be amended to read as follows:

14 (3) "Delivery charges," charges by the retailer for preparation and delivery to a location
15 designated by the purchaser of tangible personal property, any product transferred
16 electronically, or services including transportation, shipping, postage, handling,
17 crating, and packing. The term does not include postage for direct mail;

18 Section 5. That ARSD 64:06:01:69 be repealed.

19 ~~64:06:01:69. Direct mail. The term, direct mail, means any printed material delivered or~~
20 ~~distributed by United States mail or other delivery service to a mass audience or to addressees~~
21 ~~on a mailing list provided by the purchaser or at the direction of the purchaser when the cost of~~
22 ~~the items are not billed directly to the recipients. Direct mail includes tangible personal property~~
23 ~~supplied directly or indirectly by the purchaser to the direct mail seller for inclusion in the~~
24 ~~package containing the printed material. Direct mail does not include multiple items of printed~~

1 ~~material delivered to a single address.~~