

State of South Dakota

EIGHTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2012

267T0616

SENATE ENGROSSED NO. **HB 1228** - 2/28/2012

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: Representatives Moser, Cronin, Rausch, Street, and Willadsen and Senators Hansen (Tom) and Begalka

1 FOR AN ACT ENTITLED, An Act to provide tax refunds for certain energy projects.

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

3 Section 1. That chapter 10-45B be amended by adding thereto a NEW SECTION to read as
4 follows:

5 Notwithstanding any other provision of this chapter, a wind energy facility which installs
6 wind turbines and operates them to create electrical energy is eligible for a refund of the sales
7 and use taxes and contractors excise taxes paid on the project. The wind energy facility shall
8 have a construction date on or after January 1, 2013, and the total project costs shall exceed fifty
9 million dollars. For project costs incurred and paid after January 1, 2013, inclusive, the amount
10 of the refund shall be determined by multiplying the nameplate capacity of the installed turbines
11 by forty-five dollars per kilowatt. The refund is payable when construction is complete and the
12 sales and use taxes and contractors excise taxes have been paid in full.

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



1 Notwithstanding any other provision of this chapter, this section controls the amount of
2 refunds payable under this chapter for any new business facility that is an environmental
3 upgrade to an existing power generation facility. The environmental upgrade shall have a
4 construction date on or after January 1, 2013, and the total project costs shall exceed fifty
5 million dollars. For project costs incurred and paid after January 1, 2013, inclusive, the amount
6 of the refund amount of the tax refund for an environmental upgrade to an existing power
7 generation facility shall be fifty percent of the taxes paid. For project costs incurred after
8 January 1, 2017, there is no refund. The refund is payable when construction is complete and
9 the sales and use taxes and contractors excise taxes have been paid in full.

10 Section 3. That subdivision (6) of § 10-45B-1 be amended to read as follows:

11 (6) "Power generation facility," a facility with one power unit that generates electricity
12 with a nameplate capacity of no less than ~~five~~ three hundred megawatts;

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