

State of South Dakota

EIGHTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2013

400U0203

HOUSE BILL NO. 1041

Introduced by: The Committee on Transportation at the request of the Department of
Revenue

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the purchase price of
2 rebuilt motor vehicles and to create a motor vehicle excise tax exemption for sales tax paid
3 on parts used in rebuilt motor vehicles and vehicles manufactured by individuals.

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

5 Section 1. That § 32-5B-4 be amended to read as follows:

6 32-5B-4. For the purposes of this chapter, the purchase price is:

7 (1) For a new motor vehicle sale or lease, the total consideration whether received in
8 money or otherwise. However, when a motor vehicle is taken in trade as a credit or
9 part payment on a new motor vehicle, the credit or trade-in value allowed by the
10 seller shall be deducted from the total consideration for the new motor vehicle to
11 establish the purchase price;

12 (2) For a used motor vehicle sold or leased by a licensed motor vehicle dealer, the total
13 consideration for the used motor vehicle whether received in money or otherwise.
14 However, when a motor vehicle is taken in trade by the dealer as a credit or part
15 payment on a used motor vehicle, the credit or trade-in value allowed by the dealer



- 1 shall be deducted from the consideration so that the net consideration is established;
- 2 (3) For a used motor vehicle sold, leased, or transferred by any person other than a
3 licensed motor vehicle dealer, the total consideration received in money or otherwise.
4 However, when a motor vehicle is taken in trade as a credit or part payment on a used
5 motor vehicle, the credit or trade-in value shall be deducted from the total
6 consideration so that the net consideration is established. The purchaser and seller of
7 the motor vehicle shall submit to the county treasurer a bill of sale, approved and
8 supplied by the secretary. If a bill of sale is not submitted, the excise tax will be
9 assessed on the retail value as stated in a nationally recognized dealers' guide as
10 approved by the secretary of revenue. If the excise tax is assessed on the retail value,
11 the value of the motor vehicle taken in as credit on trade-in shall be the retail value
12 as stated in the nationally recognized dealers' guide;
- 13 (4) For a new or used motor vehicle acquired by gift or other transfer for no or nominal
14 consideration, the manufacturers' suggested dealer list price for new motor vehicles
15 and for used motor vehicles the retail value stated in a nationally recognized dealers'
16 guide approved and furnished by the secretary of revenue;
- 17 (5) For a motor vehicle manufactured by a person who registers it under the laws of this
18 state, the amount expended for materials, labor, and other properly allocable costs of
19 manufacture or in the absence of actual expenditures for the manufacture of a part or
20 all of the motor vehicle, the reasonable value of the completed motor vehicle;
- 21 (6) For a rebuilt motor vehicle, upon its initial registration and titling, the total
22 consideration for the salvage vehicle, whether received in money or otherwise, and
23 the total consideration for any assemblies, subassemblies, parts, or component parts
24 used;

1 (7) For either a new or used motor vehicle, as defined by § 32-5B-21, which is a closed
2 lease, the total consideration whether received in money or otherwise. Total
3 consideration is all lease payments including cash, rebates, the net trade-in, extended
4 warranties, administrative fees, acquisition fees, or any other fees assessed on the
5 purchase of the vehicle. Total consideration does not include title fees, registration
6 fees, vehicle excise tax paid pursuant to §§ 32-5B-1, 32-5B-1.1, and 32-5B-21 to 32-
7 5B-24, inclusive, federal excise taxes attributable to the sale of the vehicle to the
8 owner or to the lease of the vehicle by the owner, insurance, and refundable deposits;

9 (8) For either a new or used motor vehicle, as defined by § 32-5B-21, which is leased,
10 and the terms of the lease are either not certain at the time the lease contract is
11 executed or the lease is open ended, the purchase price shall be the total
12 consideration whether received in money or otherwise. Total consideration includes
13 the purchase price of the vehicle, plus cash, rebates, the net trade-in, extended
14 warranties, administrative fees, acquisition fees, or any other fees assessed on the
15 purchase of the vehicle. Total consideration does not include title fees, registration
16 fees, vehicle excise tax paid pursuant to §§ 32-5B-1, 32-5B-1.1, and 32-5B-21 to 32-
17 5B-24, inclusive, federal excise taxes attributable to the sale of the vehicle to the
18 owner or to the lease of the vehicle by the owner, insurance, and refundable deposits.

19 Section 2. That § 32-5B-11 be amended to read as follows:

20 32-5B-11. If any motor vehicle has been subjected previously to a sales tax, use tax, motor
21 vehicle excise tax, or similar tax by this or any other state or its political subdivision, no tax is
22 owed to this state if the tax has been paid by the applicant to this or any other state.

23 Additionally, any part used in a rebuilt motor vehicle or motor vehicle manufactured by an
24 applicant, previously subjected to sales tax, use tax, motor vehicle excise tax, or similar tax by

1 this or any other state or its political subdivision, is not subject to the tax levied by this chapter,
2 if the applicant applies for registration of the motor vehicle in this state within five years from
3 the purchase date of the part. If the amount of tax levied and paid is the same or more than the
4 amount of tax levied by this chapter, no tax or refund is due under this chapter. The county
5 treasurer shall require of all applicants making application for registration of a motor vehicle
6 in this state an affidavit of a licensed dealer, bill of sale, receipt, or other tangible evidence that
7 the amount of tax has been paid by the current applicant. If sufficient proof is not furnished, the
8 county treasurer shall collect the tax levied by § 32-5B-1 on the retail value of the motor vehicle
9 listed in the National Automobile Dealers' Used Car Guide (NADA). The value shall be the
10 retail value of the motor vehicle on the day it entered the state. If a motor vehicle, after being
11 taxed by this chapter or granted an exemption from part or all of the motor vehicle excise tax
12 by this provision, is sold or traded, the vehicle does not again qualify for an exemption by this
13 provision, if the vehicle is repurchased by the same applicant.