

State of South Dakota

NINETY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 2018

328Z0758

HOUSE BILL NO. 1308

Introduced by: Representatives Wismer, Ahlers, Brunner, Heinemann, May, Mickelson, and Zikmund and Senator Klumb

1 FOR AN ACT ENTITLED, An Act to provide for an excise tax on alcoholic beverage sales and
2 the distribution of the revenue.

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

4 Section 1. That the code be amended by adding a NEW SECTION to read:

5 There is hereby levied on all alcoholic beverages an excise tax imposed at a rate of twenty-
6 five cents per standard serving in accordance with the provisions of section 3 of this Act.

7 Section 2. That the code be amended by adding a NEW SECTION to read:

8 For purposes of this Act, the term, standard serving, means:

- 9 (1) For malt beverages and ciders, twelve ounces;
10 (2) For wine, five ounces; and
11 (3) For distilled spirits, one and one-half ounces.

12 Section 3. That the code be amended by adding a NEW SECTION to read:

13 The excise tax under section 1 of this Act shall be calculated based on the per-gallon
14 quantities of alcoholic beverages sold at retail. For malt beverages and ciders, the per-gallon
15 excise tax shall be two dollars and sixty-six cents. For wine, the per-gallon excise tax shall be



1 six dollars and forty cents. For distilled spirits, the per-gallon excise tax shall be twenty-one
2 dollars and thirty-three cents.

3 Section 4. That the code be amended by adding a NEW SECTION to read:

4 The department shall promulgate rules in accordance with chapter 1-26 for the payment of
5 the tax in accordance with the provisions of this Act.

6 Section 5. That the code be amended by adding a NEW SECTION to read:

7 There is hereby created in the state treasury the alcoholic beverage health and safety fund.
8 The secretary shall deposit the revenue from the tax imposed by section 1 of this Act into the
9 alcoholic beverage health and safety fund. Fifty percent of the alcoholic beverage health and
10 safety fund shall be used by the state for any purpose related to alcohol harm, including public
11 safety, alcohol treatment programming, underage alcohol and drug prevention programming,
12 healthcare, mental healthcare, child and family services, or adjudication of alcohol-related
13 criminal activity.

14 Section 6. That the code be amended by adding a NEW SECTION to read:

15 Twenty-five percent of the revenue deposited in the alcoholic beverage health and safety
16 fund shall revert to the municipalities. Each municipality's share of the fund shall be determined
17 by the ratio of the population of each municipality to the total population of all the
18 municipalities sharing in the receipts. The amount received by each municipality shall be
19 deposited in the municipality's general fund and shall be used by the municipality for any
20 purpose related to alcohol harm, including public safety, alcohol treatment programming,
21 underage alcohol and drug prevention programming, healthcare, mental healthcare, child and
22 family services, adjudication of alcohol-related criminal activity, or property tax reduction.

23 Section 7. That the code be amended by adding a NEW SECTION to read:

24 Twenty-five percent of all of the revenues deposited in the alcoholic beverage health and

1 safety fund shall revert to the counties. Twenty-five percent of the revenues distributed to
2 counties shall be divided equally by all counties. The remaining seventy-five percent of the
3 revenue shall be allocated to counties by the ratio of the population of each county to the total
4 population of all the counties sharing in the receipts. The amount received by each county shall
5 be deposited in the county's general fund and shall be used by the county for any purpose related
6 to alcohol harm, including public safety, alcohol treatment programming, underage alcohol and
7 drug prevention programming, healthcare, mental healthcare, child and family services,
8 adjudication of alcohol-related criminal activity, or property tax reduction.