

State of South Dakota

EIGHTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2013

375U0051

HOUSE BILL NO. 11

Introduced by: _____

1 FOR AN ACT ENTITLED, An Act to provide sales and use tax refunds for certain oil and gas
2 exploratory and development wells.

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

4 Section 1. An operator that has received a permit to drill a well for oil and gas may apply
5 for a refund of South Dakota sales and use tax paid by such operator if:

6 (1) The sales and use tax subject to the refund request was paid by the operator
7 requesting the refund for the use of tangible personal property, product transferred
8 electronically, or service;

9 (2) The tangible personal property, product transferred electronically, or service upon
10 which the sales and use tax was paid was purchased by the operator requesting the
11 refund for use outside the boundaries of Harding County and for a well that was
12 permitted pursuant to chapter 45-9 after June 30, 2013; and

13 (3) The tangible personal property, product transferred electronically, or service upon
14 which the sales and use tax was paid was incurred after June 30, 2013, but before
15 July 1, 2017.

16 Section 2. Any claim for refund shall be submitted on forms prescribed by the secretary of



1 the Department of Revenue and shall be supported by such documentation as the secretary may
2 require. The secretary may deny any claim if the claimant has failed to provide the information
3 or documentation requested or considered necessary by the secretary to determine the validity
4 of the claim.

5 Section 3. Any person requesting a refund pursuant to this Act shall submit a request for a
6 refund on a form provided by the Department of Revenue. The request shall be submitted
7 pursuant to § 10-59-19. No interest may be paid on the refund amount.

8 Section 4. If any claim has been fraudulently presented or supported as to any item in the
9 claim, or if the claimant fails to meet all the conditions of section 1 of this Act, then the claim
10 may be rejected in its entirety. All sums previously refunded to the claimant constitutes a debt
11 to the state and a lien in favor of the state upon all property and rights to property whether real
12 or personal belonging to the claimant and may be recovered in an action of debt.

13 Section 5. Any person aggrieved by the denial in whole or in part of a refund claimed under
14 this Act, may, within thirty days after service of the notice of such denial by the secretary of the
15 Department of Revenue, demand and is entitled to a hearing, upon notice, before the secretary.
16 The hearing shall be conducted pursuant to chapter 1-26.

17 Section 6. The secretary of the Department of Revenue may promulgate rules, pursuant to
18 chapter 1-26, concerning the procedures for filing refund claims and the requirements necessary
19 to qualify for a refund.