

# State of South Dakota

SEVENTY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 1997

400A0251

## SENATE BILL NO. 61

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

1 FOR AN ACT ENTITLED, An Act to revise certain dates pertaining to references to the  
2 Internal Revenue Code.

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

4 Section 1. That § 10-43-10.1 be amended to read as follows:

5 10-43-10.1. "Net income," in the case of a financial institution, is taxable income as defined  
6 in the Internal Revenue Code, as amended, and in effect on January 1, ~~1996~~ 1997, and reportable  
7 for federal income tax purposes for the taxable year, but subject to the adjustments as provided  
8 in §§ 10-43-10.2 and 10-43-10.3.

9 Section 2. That subdivision (6) of § 10-18A-1 be amended to read as follows:

10 (6) "Income," the sum of adjusted gross income as defined in the United States Internal  
11 Revenue Code, as amended, and in effect on January 1, ~~1996~~ 1997, and all nontaxable  
12 income, including but not limited to the amount of capital gains excluded from  
13 adjusted gross income, alimony, support money, nontaxable strike benefits, cash  
14 public assistance and relief, not including relief granted under this chapter, the gross  
15 amount of any pension or annuity, including Railroad Retirement Act benefits and

1 veterans' disability pensions, all payments received under the federal social security  
2 and state unemployment insurance laws, nontaxable interest received from the federal  
3 government or any of its instrumentalities, workers' compensation, and the gross  
4 amount of "loss of time" insurance, but not including gifts from nongovernmental  
5 sources, food stamps, or surplus foods, or other relief in kind provided by a public  
6 agency less real estate taxes payable on the applicant's principal residence for the year  
7 in which application is made. However, the reduction in the applicant's income for real  
8 estate taxes payable may not exceed four hundred dollars;

9 Section 3. That subdivision (5) of § 10-45A-1 be amended to read as follows:

10 (5) "Income," the sum of adjusted gross income as defined in the United States Internal  
11 Revenue Code, as amended, and in effect on January 1, ~~1996~~ 1997, and all nontaxable  
12 income, including but not limited to the amount of capital gains excluded from  
13 adjusted gross income, alimony, support money, nontaxable strike benefits, cash  
14 public assistance and relief, not including relief granted under this chapter, the gross  
15 amount of any pension or annuity, including Railroad Retirement Act benefits and  
16 veterans' disability pensions, all payments received under the federal social security  
17 and state unemployment insurance laws, nontaxable interest received from the federal  
18 government or any of its instrumentalities, workers' compensation, and the gross  
19 amount of "loss of time" insurance, but not including gifts from nongovernmental  
20 sources, food stamps, or surplus foods, or other relief in kind provided by a public  
21 agency, less real estate taxes payable or ten percent of rent paid on the applicant's  
22 principal residence for the year in which application is made. However, the reduction  
23 in the individual's income may not exceed four hundred dollars;

24 Section 4. That subdivision (7) of § 10-40A-1 be amended to read as follows:

25 (7) "Internal Revenue Code," the federal Internal Revenue Code, as amended, and in

1 effect on January 1, ~~1996~~ 1997;

2 Section 5. That § 10-40-23.3 be amended to read as follows:

3 10-40-23.3. Property subject to the tax imposed by this chapter by § 10-40-23.2 which:

4 (1) Was exempt from taxation under § 10-40-23.1; and

5 (2) Constitutes a qualified terminable interest in property under the Internal Revenue

6 Code, as amended, and in effect on January 1, ~~1996~~ 1997; is subject to the tax

7 imposed by this chapter on the death of the testator's or grantor's spouse. The tax

8 shall be based on the relationship between the testator or grantor of the qualified

9 terminable interest in the property and the beneficiaries of the property.