

# State of South Dakota

SEVENTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 1998

706B0514

## HOUSE BILL NO. 1131

Introduced by: Representatives Cutler, Apa, Brown (Gary), Diedrich, Jorgensen, Koskan, Moore, Napoli, and Peterson (Bill) and Senators Paisley, Brosz, Brown (Arnold), Flowers, and Shoener

1 FOR AN ACT ENTITLED, An Act to exempt locksmiths, locksmith shops, and locks made to  
2 individual order from the contractor's excise tax and to make them subject to sales and use  
3 tax.

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

5 Section 1. That chapter 10-46A be amended by adding thereto a NEW SECTION to read  
6 as follows:

7 The following services enumerated in the Standard Industrial Classification Manual of 1987  
8 as prepared by the Statistical Policy Division of the Office of Management and Budget, Office  
9 of the President, are exempt from the provisions of this chapter: repair shops and related  
10 services, not elsewhere classified (industry no. 7699) but only locksmiths, locksmith shops, and  
11 lock parts made to individual order.

12 Section 2. That chapter 10-46B be amended by adding thereto a NEW SECTION to read  
13 as follows:

14 The following services enumerated in the Standard Industrial Classification Manual of 1987  
15 as prepared by the Statistical Policy Division of the Office of Management and Budget, Office

1 of the President, are exempt from the provisions of this chapter: repair shops and related  
2 services, not elsewhere classified (industry no. 7699) but only locksmiths, locksmith shops, and  
3 lock parts made to individual order.

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

6 Locks, lock parts, other materials purchased for use by locksmiths as classified in repair  
7 shops and related services, not elsewhere classified (industry no. 7699) as enumerated in the  
8 Standard Industrial Classification Manual of 1987, as prepared by the Statistical Policy Division  
9 of the Office of Management and Budget, Office of the President, and used for such work are  
10 purchases for resale.

11 Section 4. That § 10-45-5.2 be amended to read as follows:

12 10-45-5.2. The following services enumerated in the Standard Industrial Classification  
13 Manual, 1987, as prepared by the Statistical Policy Division of the Office of Management and  
14 Budget, Office of the President, are specifically subject to the tax levied by this chapter: metal  
15 mining services (group no. 108); coal mining (major group 12); nonmetallic minerals (except  
16 fuels) services (group no. 148); service industries for the printing trade (group no. 279); coating,  
17 engraving and allied services (group no. 347); communication, electric and gas services (division  
18 E except group nos. 483, 494 and 495); hotels, motels, and tourist courts (group no. 701);  
19 rooming and boarding houses (group no. 702); camps and recreational vehicle parks (group no.  
20 703); personal services (major group 72); business services (major group 73); automotive repair,  
21 services, and parking (major group 75); miscellaneous repair services (major group 76);  
22 amusement and recreation services (major group 79); legal services (major group 81); landscape  
23 and horticultural services (group no. 078); engineering, accounting, research, management, and  
24 related services (major group 87, except industry no. 8733); title abstract offices (group no.  
25 654); consumer credit reporting agencies, mercantile reporting agencies, and adjustment and

1 collection agencies (group no. 732); real estate agents and managers (group no. 653); funeral  
2 service and crematories (group no. 726), except that purchases of goods or services with money  
3 advanced as an accommodation are retail purchases and are not includable in gross receipts for  
4 funeral services and fees paid or donated for religious ceremonies are not includable in gross  
5 receipts for funeral services; loan brokers (industry no. 6163); repair shops and related services,  
6 not elsewhere classified (industry no. 7699) but only locksmiths, locksmith shops, and lock parts  
7 made to individual order; and floor laying and other floor work not elsewhere classified (industry  
8 no. 1752). In addition, the following services are also specifically subject to the tax levied by this  
9 chapter: livestock slaughtering services; dog grooming services; airplane, helicopter, balloon,  
10 dirigible and blimp rides for amusement or sightseeing; the collection and disposal of solid waste;  
11 and all appraiser's services. The services enumerated in this section may not be construed as a  
12 comprehensive list of taxable services but rather as a representative list of services intended to  
13 be taxable under this chapter.

14 Section 5. That § 10-45-12.1 be amended to read as follows:

15 10-45-12.1. The following services enumerated in the Standard Industrial Classification  
16 Manual, 1987, as prepared by the Statistical Policy Division of the Office of Management and  
17 Budget, Office of the President are exempt from the provisions of this chapter: health services  
18 (major group 80); educational services (major group 82) except schools and educational services  
19 not elsewhere classified (industry no. 8299); social services (major group 83); agricultural  
20 services (major group 07) except veterinarian services (group no. 074) and animal specialty  
21 services, except veterinary (industry no. 0752); forestry services (group no. 085); radio and  
22 television broadcasting (group no. 483); railroad transportation (major group 40); local and  
23 suburban passenger transportation (group no. 411) except limousine services; school buses  
24 (group no. 415); farm product warehousing and storage (industry no. 4221); establishments  
25 primarily engaged in transportation on rivers and canals (group no. 444); establishments primarily

1 engaged in air transportation, certified carriers (group no. 451); establishments primarily engaged  
2 in air transportation, noncertified carriers (group no. 452) except chartered flights (industry no.  
3 4522) and airplane, helicopter, balloon, dirigible and blimp rides for amusement or sightseeing;  
4 pipe lines, except natural gas (major group 46); arrangement of passenger transportation (group  
5 no. 472); arrangement of transportation of freight and cargo (group no. 473); rental of railroad  
6 cars (group no. 474); water supply (industry no. 4941); sewerage systems (industry no. 4952);  
7 security brokers, dealers and flotation companies (group no. 621); commodity contracts brokers  
8 and dealers (group no. 622); credit counseling services provided by individual and family social  
9 services (group no. 8322); construction services (division C) except industry no. 1752 and  
10 locksmiths, locksmith shops, and lock parts made to individual order; consumer credit reporting  
11 agencies, mercantile reporting agencies, and adjustment and collection agencies (group no. 732),  
12 if the debt was incurred out-of-state and the client does not reside within the state. The following  
13 are also specifically exempt from the provisions of this chapter: financial services of institutions  
14 subject to tax under chapter 10-43 including loan origination fees, late payment charges,  
15 nonsufficient fund check charges, stop payment charges, safe deposit box rent, exchange charges,  
16 commission on travelers checks, charges for administration of trusts, interest charges, and  
17 "points" charged on loans; commissions earned or service fees paid by an insurance company to  
18 an agent or representative for the sale of a policy; services of brokers and agents licensed under  
19 Title 47; the sale of trading stamps; rentals of motor vehicles as defined by § 32-5-1 leased under  
20 a single contract for more than twenty-eight days; advertising services; services provided by any  
21 corporation to another corporation which is centrally assessed having identical ownership and  
22 services provided by any corporation to a wholly owned subsidiary which is centrally assessed;  
23 continuing education programs, tutoring, vocational counseling, except rehabilitation counseling  
24 and motion picture rentals to a commercially operated theater primarily engaged in the exhibition  
25 of motion pictures; and charges made by a telecommunications company for the origination,

1 transmission, switching, reception or termination of an interstate telephone or telegraph  
2 communication.

3 Section 6. That chapter 10-46 be amended by adding thereto a NEW SECTION to read as  
4 follows:

5 The following services enumerated in the Standard Industrial Classification Manual of 1987  
6 as prepared by the Statistical Policy Division of the Office of Management and Budget, Office  
7 of the President, are subject to the tax levied by this chapter: repair shops and related services,  
8 not elsewhere classified (industry no. 7699) but only locksmiths, locksmith shops, and lock parts  
9 made to individual order.