

State of South Dakota

SEVENTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 1999

438C0348

SENATE TAXATION COMMITTEE ENGROSSED NO. **SB84** - 2/8/99

Introduced by: Senators Staggers, Benson, Dennert, Flowers, Lange, Madden, and Reedy and
Representatives Napoli, Apa, Duenwald, Kazmerzak, Klaut, Kooistra, McCoy,
Weber, and Windhorst

1 FOR AN ACT ENTITLED, An Act to adjust the value of certain motor vehicles that are exempt
2 from motor vehicle excise tax.

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

4 Section 1. That § 32-5B-2 be amended to read as follows:

5 32-5B-2. Motor vehicles exempted from the provisions of this chapter are as follows:

6 (1) Any motor vehicle exempted in § 32-5-42, 32-5-42.1, or 32-5-1.3;

7 (2) Any motor vehicle acquired by inheritance from or bequest of a decedent;

8 (3) Any motor vehicle previously titled or licensed jointly in the names of two or more
9 persons and subsequently transferred without consideration to one or more of such
10 persons;

11 (4) Any motor vehicle transferred without consideration between spouses, between a
12 parent and child, and between siblings;

13 (5) Any motor vehicle transferred pursuant to any mergers or consolidations of
14 corporations or plans of reorganization by which substantially all of the assets of a
15 corporation are transferred if the motor vehicle was previously titled, licensed, and

- 1 registered in this state;
- 2 (6) Any motor vehicle transferred by a subsidiary corporation to its parent corporation
3 for no or nominal consideration or in sole consideration of the cancellation or
4 surrender of the subsidiary's stock if the motor vehicle was previously titled, licensed,
5 and registered in this state;
- 6 (7) Any motor vehicle transferred between an individual and a corporation if the
7 individual and the owner of the majority of the capital stock of the corporation are
8 one and the same and if the motor vehicle was previously titled, licensed, and
9 registered in this state;
- 10 (8) Any motor vehicle transferred between a corporation and its stockholders or creditors
11 if to effectuate a dissolution of the corporation it is necessary to transfer the title from
12 the corporate entity to the stockholders or creditors and if the motor vehicle was
13 previously titled, licensed, and registered in this state;
- 14 (9) Any motor vehicle transferred between an individual and a limited or general
15 partnership if the individual and the owner of the majority interest in the partnership
16 are one and the same person and if the motor vehicle was previously titled, licensed,
17 and registered in this state;
- 18 (10) Any motor vehicle transferred to effect a sale of all or substantially all of the assets
19 of the business entity if the motor vehicle was previously titled, licensed, and
20 registered in this state;
- 21 (11) Any motor vehicle acquired by a secured party or lien holder in satisfaction of a debt;
- 22 (12) Any motor vehicle sold or transferred which is eleven or more model years old and
23 which is sold or transferred for ~~one thousand five hundred~~ two thousand dollars or
24 less before trade-in;
- 25 (13) Any damaged motor vehicle transferred to an insurance company in the settlement of

1 an insurance claim;

2 (14) Any motor vehicle owned by a former resident of this state who returns to the state
3 and who had previously paid vehicle excise tax to this state on the motor vehicle as
4 evidenced within the department's records or by submission of other acceptable proof
5 of payment of such tax;

6 (15) Between corporations, both subsidiary and nonsubsidiary, if the individuals who hold
7 a majority of stock in the first corporation also hold a majority of stock in the second
8 corporation; but these individuals need not hold the same ratio of stock in both
9 corporations provided the motor vehicle was previously titled, licensed, and registered
10 in this state;

11 (16) Any motor vehicle transferred by a trustor to his trustee or from a trustee to a
12 beneficiary of a trust; and

13 (17) Any motor vehicle rented for twenty-eight days or less is subject to the tax imposed
14 by § 32-5B-20.

15 Section 2. The effective date of this Act is July 1, 2000.

1 **BILL HISTORY**

2 1/21/99 First read in Senate and referred to Taxation. S.J. 145

3 1/27/99 Scheduled for Committee hearing on this date.

4 1/27/99 Taxation Deferred to another day.

5 1/29/99 Scheduled for Committee hearing on this date.

6 2/3/99 Scheduled for Committee hearing on this date.

7 2/3/99 Taxation Do Pass Amended, Failed, AYES 4, NAYS 3.

8 2/3/99 Taxation Deferred to another day.

9 2/5/99 Scheduled for Committee hearing on this date.

10 2/5/99 Taxation Do Pass Amended, Passed, AYES 7, NAYS 2. S.J. 349