

# State of South Dakota

SEVENTY-FOURTH SESSION  
LEGISLATIVE ASSEMBLY, 1999

663C0424

## SENATE BILL NO. 160

Introduced by: Senators Staggers, Benson, Brown (Arnold), Dennert, Dunn (Rebecca),  
Flowers, Kleven, Lange, Madden, and Reedy and Representatives Monroe,  
Chicoine, Davis, Duenwald, Fischer-Clemens, Fryslie, Garnos, Hagen, Hanson,  
Juhnke, Klaudt, Lockner, McIntyre, Michels, Nachtigal, Pummel, Slaughter,  
Waltman, and Windhorst

1 FOR AN ACT ENTITLED, An Act to provide an index factor to adjust the value of certain  
2 inheritance tax exemptions.

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

4 Section 1. That § 10-40-23 be amended to read as follows:

5 10-40-23. The following exemptions from the tax are hereby allowed:

- 6 (1) All property transferred to public corporations within the state for strictly county,  
7 township, school, or municipal purposes, all property which escheats to the State of  
8 South Dakota for the benefit of the common school permanent school fund, and all  
9 property transferred in any manner to the State of South Dakota for the benefit of any  
10 permanent school fund;
- 11 (2) Property transferred to a nonprofit hospital, nonprofit nursing facility, nonprofit  
12 foundation, elementary and secondary school, college, university, seminary of  
13 learning, church, or to an organization operating the same within the state or to a  
14 health care organization or charitable, benevolent, or religious society or institution  
15 or foundation as defined in §§ 10-4-9 to 10-4-9.3, inclusive. However, property

1 transferred after July 1, 1949, to any such institution or organization operating the  
2 same without the state shall also be exempt if the laws of the state, territory or  
3 country in which such institution is located at the time of the transfer contained a  
4 reciprocal exemption provision under which was allowed a similar exemption of  
5 transfers to such institutions or organization operating the same within this state;

6 (3) Property of the clear value of thirty thousand dollars transferred to each of the lineal  
7 issue of the decedent, or any child adopted as such in conformity with the laws of any  
8 state, or any stepchild, or any child to whom the decedent for not less than ten years  
9 prior to such transfer stood in mutually acknowledged relation of a parent, if such  
10 relationship began at or before the child's fifteenth birthday and was continuous for  
11 ten years thereafter, or any lineal issue of such adopted, step, or mutually  
12 acknowledged child. For purposes of this subdivision, a stepchild is any child of a  
13 decedent's spouse;

14 (4) Property of the clear value of three thousand dollars transferred to each of the lineal  
15 ancestors of the decedent;

16 (5) Property of the clear value of five hundred dollars transferred to each of the persons  
17 described in subdivision 10-40-21(3);

18 (6) Property of the clear value of two hundred dollars transferred to each of the persons  
19 described in subdivision 10-40-21(4);

20 (7) Property of the clear value of one hundred dollars transferred to each of the persons  
21 and corporations described in subdivision 10-40-21(5).

22 Beginning on July 1, 1999, and each year thereafter, the amount of each exemption listed in  
23 this section shall increase by an index factor. The index factor is the annual percentage change  
24 in the consumer price index for urban wage earners and clerical workers as computed by the  
25 Bureau of Labor Statistics of the United States Department of Labor for the year immediately

1 preceding the year in which the taxes are payable or three percent, whichever is less.