

# State of South Dakota

SEVENTY-FIFTH SESSION  
LEGISLATIVE ASSEMBLY, 2000

168D0689

## HOUSE BILL NO. 1246

Introduced by: Representatives Munson (Donald), Crisp, Earley, Garnos, Jaspers, Sebert,  
Weber, and Young and Senators Munson (David), Drake, and Hainje

1 FOR AN ACT ENTITLED, An Act to exempt certain transfers of property used for agricultural  
2 or business purposes from the inheritance tax.

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

4 Section 1. That § 10-40-23 be amended by adding thereto a NEW SUBDIVISION to read  
5 as follows:

6 An additional value not to exceed five hundred thousand dollars of real property or business  
7 property, if the property is transferred from a decedent to lineal issue of the decedent and if the  
8 real property is agricultural land, defined pursuant to § 10-6-31.3, or business property as,  
9 defined pursuant to subdivision 10-45-1(2). This exemption is applicable if the decedent was the  
10 majority owner which was transferred at the time of the decedent's death. The value of this  
11 exemption shall be prorated among the lineal issue of the decedent who have inherited or  
12 received the property. This exemption is in addition to the exemption provided in subdivision (3)  
13 of this section.

14 Section 2. For the purposes of this Act, a majority interest, in the applicable exempt property  
15 shall be computed by including, as of the date of the decedent's death, all of the decedent's  
16 ownership interest, the decedent's spouse's ownership interest, the ownership interest of any

1 lineal issue, and the ownership interest of any trust which has been created by the decedent, the  
2 decedent's spouse, or lineal issue.

3 Section 3. The provisions of this Act do not apply to any inheritance that results from the  
4 death of a decedent prior to January 1, 2001.