

AN ACT

ENTITLED, An Act to revise certain provisions regarding liability for the bank franchise tax.

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

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

10-43-4. The liability for the tax imposed by §§ 10-43-2 and 10-43-2.1 shall arise upon the first day of each tax year and shall be based upon the net income assignable to this state at the rate of six percent on net income of four hundred million dollars or less; at the rate of five percent on net income exceeding four hundred million dollars but equal to or less than four hundred twenty-five million dollars; at the rate of four percent on the net income exceeding four hundred twenty-five million dollars but equal to or less than four hundred fifty million dollars; at the rate of three percent on the net income exceeding four hundred fifty million dollars but equal to or less than four hundred seventy-five million dollars; at the rate of two percent on the net income exceeding four hundred seventy-five million dollars but equal to or less than five hundred million dollars; at the rate of one percent on the net income exceeding five hundred million dollars but equal to or less than six hundred million dollars; at the rate of one-half of one percent on the net income exceeding six hundred million dollars but equal to or less than one billion two hundred million dollars; and at the rate of one-quarter of one percent on the net income exceeding one billion two hundred million dollars. The tax payable under this section may be no less than two hundred dollars for each authorized location at which the financial institution subject to taxation under § 10-43-2 regularly conducts business.

Section 2. That subdivision (10) of § 10-43-1 be amended to read as follows:

- (10) "Person," includes individuals, firms, associations, corporations, estates, fiduciaries, and all entities from which income tax may be due. In no event shall a pass-through entity owned in whole or in part by a financial institution subject to tax under this chapter, and formed primarily to facilitate the securitization of assets, be treated as a person for the purpose of subdivision 10-43-1(4);

Section 3. That § 10-43-36 be amended to read as follows:

10-43-36. Any related corporation required to report under this chapter and owned or controlled either directly or indirectly by another corporation may elect, or may be required by the secretary of revenue, to make a consolidated report with related corporations that are required to report under this chapter showing the combined net income, such assets of the corporation as are required for the purpose of this chapter, and such other information as the secretary of revenue may require by rule promulgated pursuant to chapter 1-26.

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I certify that the attached Act
originated in the

SENATE as Bill No. 206

Secretary of the Senate

President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 206

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
SS.
Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State