

State of South Dakota

SEVENTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2000

329D0754

SENATE COMMERCE COMMITTEE ENGROSSED NO. **SB206** - 2/9/00

Introduced by: The Committee on Commerce at the request of the Governor

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding liability for the bank
2 franchise tax.

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

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

5 10-43-4. The liability for the tax imposed by §§ 10-43-2 and 10-43-2.1 shall arise upon the
6 first day of each tax year and shall be based upon the net income assignable to this state at the
7 rate of six percent on net income of ~~five~~ four hundred million dollars or less; at the rate of five
8 percent on net income exceeding ~~five~~ four hundred million dollars but equal to or less than ~~five~~
9 four hundred twenty-five million dollars; at the rate of four percent on the net income exceeding
10 ~~five~~ four hundred twenty-five million dollars but equal to or less than ~~five~~ four hundred fifty
11 million dollars; at the rate of three percent on the net income exceeding ~~five~~ four hundred fifty
12 million dollars but equal to or less than ~~five~~ four hundred seventy-five million dollars; at the rate
13 of two percent on the net income exceeding ~~five~~ four hundred seventy-five million dollars but
14 equal to or less than ~~six~~ five hundred million dollars; ~~and~~ at the rate of one percent on the net
15 income exceeding ~~six~~ five hundred million dollars but equal to or less than six hundred million
16 dollars; at the rate of one-half of one percent on the net income exceeding six hundred million

1 dollars but equal to or less than one billion two hundred million dollars; and at the rate of one-
2 quarter of one percent on the net income exceeding one billion two hundred million dollars. The
3 tax payable under this section may be no less than two hundred dollars for each authorized
4 location at which the financial institution subject to taxation under § 10-43-2 regularly conducts
5 business.

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

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

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

13 10-43-36. Any related corporation required to report under this chapter and owned or
14 controlled either directly or indirectly by another corporation may elect, or may be required by
15 the secretary of revenue, to make a consolidated report with related corporations that are
16 required to report under this chapter showing the combined net income, such assets of the
17 corporation as are required for the purpose of this chapter, and such other information as the
18 secretary of revenue may require by rule promulgated pursuant to chapter 1-26.

1 **BILL HISTORY**

2 1/25/00 First read in Senate and referred to Commerce. S.J. 186

3 2/1/00 Scheduled for Committee hearing on this date.

4 2/1/00 Deferred by Chair.

5 2/5/00 Scheduled for Committee hearing on this date.

6 2/8/00 Commerce Do Pass Amended, Passed, AYES 5, NAYS 0. S.J. 356

7 2/8/00 Scheduled for Committee hearing on this date.