

State of South Dakota

SEVENTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2000

357D0071

SENATE BILL NO. 69

Introduced by: Senators Olson and Rounds and Representatives Sebert, Fischer-Clemens, and Michels

1 FOR AN ACT ENTITLED, An Act to exempt materials used in certain construction projects
2 outside of the state from the use tax.

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

4 Section 1. That § 10-46-5 be amended to read as follows:

5 10-46-5. If a contractor or subcontractor, as defined in chapters 10-46A and 10-46B, uses
6 tangible personal property in the performance of ~~his~~ a contract or to fulfill contract or
7 subcontract obligations, whether the title to the property is in the name of the contractor,
8 subcontractor, contractee, subcontractee, or any other person, or whether the titleholder of the
9 property would be subject to pay the sales or use tax, the contractor or subcontractor shall pay
10 a tax at the rate prescribed by § 10-45-2;. However, any tangible personal property used by a
11 contractor or subcontractor, as defined in chapters 10-46A and 10-46B, in the performance of
12 a contract for any public corporation of any other state of the United States or the District of
13 Columbia or any organization located in any other state of the United States or the District of
14 Columbia that has been recognized as an exempt organization under § 501(c)(3) of the Internal
15 Revenue Code, is exempted from the provisions of this chapter. The value of the tangible
16 personal property shall be measured by the purchase price or fair market value of the property,

1 whichever is greater, unless the property has been previously subjected to a sales or use tax, in
2 this state and the tax due thereon has been paid. However, if the contractor or subcontractor
3 fabricates tangible personal property for use in the performance of ~~his~~ a contract, fair market
4 value excludes the value of the contractor's or subcontractor's fabrication costs.