

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

762E0763

SENATE BILL NO. 227

Introduced by: Senators Staggers and Drake and Representatives Kooistra, Klaudt, and Napoli

1 FOR AN ACT ENTITLED, An Act to provide for collection of data and information concerning
2 electronic commerce.

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

4 Section 1. Terms used in this Act mean:

5 (1) "Department," the Department of Revenue;

6 (2) "Electronic commerce," any business to consumer sale conducted through the Internet
7 that is subject to taxation pursuant to chapter 10-45, 10-46, or 10-52. Electronic
8 commerce includes the sale of tangible and intangible goods and services;

9 (3) "Electronic commerce vendor," any person engaged in business to consumer sales of
10 goods or services through an Internet web site.

11 Section 2. The department shall collect primary and supplementary data to provide the South
12 Dakota Legislature with an accurate rendering of the level of electronic commerce activity within
13 the state. The primary data set shall include:

14 (1) The number of electronic commerce vendors domiciled within the state;

15 (2) The gross retail sales of electronic commerce vendors domiciled within the state;

- 1 (3) An estimate of the number of in-state electronic commerce transactions conducted by
2 persons within the state boundaries based on accepted standards of scientific
3 sampling;
- 4 (4) An estimate of the number of out-of-state electronic commerce transactions
5 conducted by persons within the state boundaries based on accepted standards of
6 scientific sampling;
- 7 (5) An estimate of the total value of electronic commerce transactions conducted by
8 persons within state boundaries during a calendar year; and
- 9 (6) A reliable estimate of the use tax revenue that is uncollected due to out-of-state
10 electronic commerce.

11 Section 3. The department shall supplement the primary data with information supplied by
12 the South Dakota Business Research Bureau and United States Department of Commerce; the
13 United States Census Bureau, the United States Small Business Administration, and any other
14 federal agency collecting electronic commerce data. The department may use information
15 gathered from any private, academic, and other nongovernmental entities provided that the
16 source and methodology is stated within the text of the report and the information is not
17 speculative in nature or based on unscientific methods.

18 Section 4. The department shall include an analysis of the financial impact increased sales and
19 use tax collection requirements would have on instate companies engaged in electronic
20 commerce.

21 Section 5. The department shall submit the data and information required by this Act to the
22 Legislature by the fifteenth day of January each year.

23 Section 6. This Act is repealed on January 16, 2005.