

# State of South Dakota

SEVENTY-SIXTH SESSION  
LEGISLATIVE ASSEMBLY, 2001

400E0272

## SENATE ENGROSSED NO. **SB 46** - 01/23/2001

Introduced by: The Committee on Taxation at the request of the Department of Revenue

1 FOR AN ACT ENTITLED, An Act to authorize the department to issue direct payment permits  
2 in certain instances.

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

4 Section 1. That chapter 10-46 be amended by adding thereto a NEW SECTION to read as  
5 follows:

6 The secretary of revenue may authorize a retailer to use a direct payment permit if the retailer  
7 purchases goods or services subject to the tax imposed by chapter 10-45. Applicants for a direct  
8 payment permit shall apply in writing to the secretary. A retailer may appeal the denial of a direct  
9 payment permit or contest a revocation of a direct payment permit pursuant to chapters 1-26 and  
10 1-26D. For purposes of this section, the term, direct payment permit, means a permit issued by  
11 the department that allows a holder of the permit to accrue and pay the taxes imposed by chapter  
12 10-45 directly to the department. A retailer that makes a sale to a direct payment permit holder  
13 has no liability for sales tax on such sale if the retailer has written evidence of the sale. Such  
14 written evidence shall clearly indicate the name of the buyer, the product or service purchased,  
15 and the amount of the purchase. The secretary of revenue may promulgate rules pursuant to

1 chapter 1-26 concerning the administration and use of a direct payment permit.