

# State of South Dakota

EIGHTY-FIRST SESSION  
LEGISLATIVE ASSEMBLY, 2006

654M0496

HOUSE TAXATION COMMITTEE ENGROSSED NO.

**HB 1106** - 02/09/2006

**This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.**

Introduced by: Representatives Dykstra, Cutler, Frost, Hackl, and Willadsen and Senators Olson (Ed), Gant, Hansen (Tom), and Koetzle

1 FOR AN ACT ENTITLED, An Act to provide for a legislative study of the taxes imposed on  
2 the telecommunications industry.

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

4 Section 1. The Executive Board of the Legislative Research Council shall appoint an interim  
5 legislative committee to study the state and local taxes imposed on the telecommunications  
6 industry and the distribution of tax revenue among the various jurisdictions. The committee  
7 shall study the current telecommunications tax structure using the principles of efficiency,  
8 neutrality, equity, and simplicity to guide their work. These terms mean:

9 (1) "Tax efficiency," the extent to which a tax distorts economic decision making and  
10 resource allocation;

11 (2) "Competitive neutrality," whether a tax distorts economic decision making and  
12 resource allocation;

13 (3) "Tax equity," a fundamental sense of fairness in the incidence of the tax system, or  
14 who bears the burden of the taxes; and



1       (4)    "Administrative simplicity," how complex and costly a tax is to administer and  
2            collect.

3        The committee shall make a report of its findings and its recommendations to the Executive  
4    Board of the Legislative Research Council.