

State of South Dakota

EIGHTY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 2007

814N0659

SENATE TRANSPORTATION COMMITTEE

ENGROSSED NO. **HB 1174** - 02/15/2007

Introduced by: Representatives Cutler, Bradford, Glenski, Hanks, Kirkeby, McLaughlin, Miles, Rave, and Van Norman and Senators Dempster, Albers, Koetzle, McCracken, and Nesselhuf

1 FOR AN ACT ENTITLED, An Act to increase the maximum amount for which used motor
2 vehicles may be sold or transferred to be exempt from excise tax.

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

4 Section 1. That § 32-5B-2 be amended to read as follows:

5 32-5B-2. Motor vehicles exempted from the provisions of this chapter are as follows:

6 (1) Any motor vehicle exempted in § 32-5-42, 32-5-42.1, or 32-5-1.3;

7 (2) Any motor vehicle acquired by inheritance from or bequest of a decedent;

8 (3) Any motor vehicle previously titled or licensed jointly in the names of two or more
9 persons and subsequently transferred without consideration to one or more of such
10 persons;

11 (4) Any motor vehicle transferred without consideration between spouses, between a
12 parent and child, and between siblings;

13 (5) Any motor vehicle transferred pursuant to any mergers or consolidations of
14 corporations or plans of reorganization by which substantially all of the assets of a



1 corporation are transferred if the motor vehicle was previously titled, licensed, and
2 registered in this state;

3 (6) Any motor vehicle transferred by a subsidiary corporation to its parent corporation
4 for no or nominal consideration or in sole consideration of the cancellation or
5 surrender of the subsidiary's stock if the motor vehicle was previously titled, licensed,
6 and registered in this state;

7 (7) Any motor vehicle transferred between an individual and a corporation if the
8 individual and the owner of the majority of the capital stock of the corporation are
9 one and the same and if the motor vehicle was previously titled, licensed, and
10 registered in this state;

11 (8) Any motor vehicle transferred between a corporation and its stockholders or creditors
12 if to effectuate a dissolution of the corporation it is necessary to transfer the title from
13 the corporate entity to the stockholders or creditors and if the motor vehicle was
14 previously titled, licensed, and registered in this state;

15 (9) Any motor vehicle transferred between an individual and a limited or general
16 partnership if the individual and the owner of the majority interest in the partnership
17 are one and the same person and if the motor vehicle was previously titled, licensed,
18 and registered in this state;

19 (10) Any motor vehicle transferred to effect a sale of all or substantially all of the assets
20 of the business entity if the motor vehicle was previously titled, licensed, and
21 registered in this state;

22 (11) Any motor vehicle acquired by a secured party or lien holder in satisfaction of a debt;

23 (12) Any motor vehicle sold or transferred which is eleven or more model years old and
24 which is sold or transferred for ~~one thousand five hundred~~ two thousand two hundred

1 dollars or less before trade-in;

2 (13) Any damaged motor vehicle transferred to an insurance company in the settlement
3 of an insurance claim;

4 (14) Any motor vehicle owned by a former resident of this state who returns to the state
5 and who had previously paid vehicle excise tax to this state on the motor vehicle as
6 evidenced within the department's records or by submission of other acceptable proof
7 of payment of such tax;

8 (15) Between corporations, both subsidiary and nonsubsidiary, if the individuals who hold
9 a majority of stock in the first corporation also hold a majority of stock in the second
10 corporation; but these individuals need not hold the same ratio of stock in both
11 corporations provided the motor vehicle was previously titled, licensed, and
12 registered in this state;

13 (16) Any motor vehicle transferred by a trustor to his trustee or from a trustee to a
14 beneficiary of a trust;

15 (17) Any motor vehicle rented for twenty-eight days or less is subject to the tax imposed
16 by § 32-5B-20; and

17 (18) Any motor vehicle transferred without consideration to any South Dakota nonprofit
18 corporation which will donate the motor vehicle to a needy family or individual.