

State of South Dakota

EIGHTY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 2007

814N0659

HOUSE BILL NO. 1174

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
15 corporation are transferred if the motor vehicle was previously titled, licensed, and



- 1 registered in this state;
- 2 (6) Any motor vehicle transferred by a subsidiary corporation to its parent corporation
- 3 for no or nominal consideration or in sole consideration of the cancellation or
- 4 surrender of the subsidiary's stock if the motor vehicle was previously titled, licensed,
- 5 and registered in this state;
- 6 (7) Any motor vehicle transferred between an individual and a corporation if the
- 7 individual and the owner of the majority of the capital stock of the corporation are
- 8 one and the same and if the motor vehicle was previously titled, licensed, and
- 9 registered in this state;
- 10 (8) Any motor vehicle transferred between a corporation and its stockholders or creditors
- 11 if to effectuate a dissolution of the corporation it is necessary to transfer the title from
- 12 the corporate entity to the stockholders or creditors and if the motor vehicle was
- 13 previously titled, licensed, and registered in this state;
- 14 (9) Any motor vehicle transferred between an individual and a limited or general
- 15 partnership if the individual and the owner of the majority interest in the partnership
- 16 are one and the same person and if the motor vehicle was previously titled, licensed,
- 17 and registered in this state;
- 18 (10) Any motor vehicle transferred to effect a sale of all or substantially all of the assets
- 19 of the business entity if the motor vehicle was previously titled, licensed, and
- 20 registered in this state;
- 21 (11) Any motor vehicle acquired by a secured party or lien holder in satisfaction of a debt;
- 22 (12) Any motor vehicle sold or transferred which is eleven or more model years old and
- 23 which is sold or transferred for ~~one thousand five hundred~~ three thousand dollars or
- 24 less before trade-in;

- 1 (13) Any damaged motor vehicle transferred to an insurance company in the settlement
2 of an insurance claim;
- 3 (14) Any motor vehicle owned by a former resident of this state who returns to the state
4 and who had previously paid vehicle excise tax to this state on the motor vehicle as
5 evidenced within the department's records or by submission of other acceptable proof
6 of payment of such tax;
- 7 (15) Between corporations, both subsidiary and nonsubsidiary, if the individuals who hold
8 a majority of stock in the first corporation also hold a majority of stock in the second
9 corporation; but these individuals need not hold the same ratio of stock in both
10 corporations provided the motor vehicle was previously titled, licensed, and
11 registered in this state;
- 12 (16) Any motor vehicle transferred by a trustor to his trustee or from a trustee to a
13 beneficiary of a trust;
- 14 (17) Any motor vehicle rented for twenty-eight days or less is subject to the tax imposed
15 by § 32-5B-20; and
- 16 (18) Any motor vehicle transferred without consideration to any South Dakota nonprofit
17 corporation which will donate the motor vehicle to a needy family or individual.