

State of South Dakota

EIGHTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 2008

726P0067

HOUSE TAXATION ENGROSSED NO. **HB 1169** - 1/22/2008

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

Introduced by: Representatives Turbiville, Brunner, DeVries, Elliott, Gosch, Krebs, Miles, Peters, and Street and Senators Lintz, Albers, Duenwald, Garnos, and Hauge

1 FOR AN ACT ENTITLED, An Act to clarify certain provisions regarding the contractor's
2 excise tax for isolated or occasional realty improvements.

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

4 Section 1. That § 10-46A-5 be amended to read as follows:

5 10-46A-5. If any person, except for a person making an isolated or occasional realty
6 improvement and who does not hold himself out as engaging in the business of making realty
7 improvements, makes a realty improvement without a realty improvement contract and
8 subsequently sells the property containing the realty improvement or the realty improvement at
9 any time subsequent to the commencement of the project and within four years of its
10 completion, the gross receipts from the sale of the realty improvement shall be subject to the
11 excise tax imposed on the gross receipts of contractors engaged in realty improvement contracts.

12 In determining the gross receipts from the sale of such realty improvements when land or land
13 and improvements completed four years prior to sale are included in the sale, land and such
14 improvements shall be valued at cost or fair market value, whichever is greater, and the portion



1 of the gross receipts attributable to land or land and improvements completed four years prior
2 to sale shall be deducted from the sale price. For purposes of this section, the phrase, isolated
3 or occasional, means no more than two in any calendar year.