

State of South Dakota

EIGHTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2010

400R0365

HOUSE ENGROSSED NO. **HB 1060** - 2/10/2010

Introduced by: The Committee on Appropriations at the request of the Department of
Revenue and Regulation

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the refunds for new
2 or expanded agricultural facilities and the refunds for new or expanded business facilities.

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

4 Section 1. That § 10-45B-2 be amended to read as follows:

5 10-45B-2. Any person As provided in this chapter, any person holding a permit issued
6 pursuant to § 10-45B-6 may apply for and obtain a refund or credit for contractors' excise taxes
7 imposed and paid under the provisions of chapter 10-46A for the construction of a new
8 agricultural processing facility and for sales or use taxes imposed and paid by such person under
9 the provisions of chapters 10-45 and 10-46 for the purchase or use of agricultural processing
10 equipment.

11 Section 2. That § 10-45B-4 be repealed.

12 ~~10-45B-4. The refund of taxes for a new agricultural processing facility pertains only to~~
13 ~~project costs incurred and paid after April 1, 1997, and within thirty-six months of the~~
14 ~~construction date as stated on the application required by § 10-45B-6. No refund may be made~~
15 ~~unless:~~



- 1 ~~— (1) — The project cost exceeds the sum of four million five hundred thousand dollars; and~~
- 2 ~~— (2) — The person applying for the refund obtains a permit from the secretary as set forth in~~
- 3 ~~§ 10-45B-6.~~

4 Section 3. That § 10-45B-4.1 be repealed.

5 ~~— 10-45B-4.1. The refund of taxes pursuant to § 10-45B-2.1 pertains only to project costs~~
6 ~~incurred and paid after February 1, 2005, up to and including thirty-six months from the~~
7 ~~construction date if the project costs are sixty million dollars or less and after February 1, 2005,~~
8 ~~up to and including seventy-two months from the construction date if the project costs are more~~
9 ~~than sixty million dollars. There is no refund if the person applying for the refund does not~~
10 ~~obtain a permit from the secretary as set forth in § 10-45B-6.~~

11 ~~— Upon a showing of good cause, the time limits prescribed by this section may be extended~~
12 ~~by the secretary for a period not to exceed twenty-four months.~~

13 Section 4. That chapter 10-45B be amended by adding thereto a NEW SECTION to read as
14 follows:

15 The refund of taxes pursuant to §§ 10-45B-2 and 10-45B-2.1 pertains only to project costs
16 incurred and paid after the effective date of this Act, up to and including thirty-six months from
17 the construction date. No refund may be paid unless the person applying for the refund obtains
18 a permit from the secretary as set forth in § 10-45B-6.

19 Section 5. That § 10-45B-5 be repealed.

20 ~~— 10-45B-5. If the project cost for a new agricultural processing facility exceeds four million~~
21 ~~five hundred thousand dollars, the refund shall be one hundred percent of the taxes attributed~~
22 ~~to the project cost.~~

23 Section 6. That § 10-45B-5.1 be repealed.

24 ~~— 10-45B-5.1. The amount of the tax refund for a new business facility shall be a percentage~~

1 of the taxes paid, as follows:

2 ~~— (1) — For project costs of less than ten million dollars, there shall be no refund;~~

3 ~~— (2) — For project costs of ten or more million dollars but less than fifteen million dollars~~
4 ~~there shall be a refund of twenty-five percent of the taxes paid;~~

5 ~~— (3) — For project costs of fifteen or more million dollars but less than twenty million~~
6 ~~dollars there shall be a refund of thirty-three percent of the taxes paid;~~

7 ~~— (4) — For project costs of twenty or more million dollars but less than forty million dollars~~
8 ~~there shall be a refund of fifty percent of the taxes paid;~~

9 ~~— (5) — For project costs of forty or more million dollars but less than sixty million dollars~~
10 ~~there shall be a refund of sixty-seven percent of the taxes paid;~~

11 ~~— (6) — For project costs of sixty million dollars or more but less than six hundred million~~
12 ~~dollars there shall be a refund of seventy-five percent of the taxes paid; and~~

13 ~~— (7) — For project costs of six hundred million dollars and greater there shall be a refund of~~
14 ~~ninety percent of the taxes paid.~~

15 Section 7. That chapter 10-45B be amended by adding thereto a NEW SECTION to read as
16 follows:

17 The amount of the tax refund for a new agricultural processing facility or new business
18 facility shall be a percentage of the taxes paid, as follows:

19 (1) For project costs of less than twenty-five million dollars, there shall be no refund;

20 (2) For project costs of twenty-five or more million dollars but less than two hundred
21 fifty million dollars, there shall be a refund of fifty percent of the taxes paid; and

22 (3) For project costs of two hundred fifty million or more dollars, there shall be no
23 refund.

24 Section 8. That § 10-45B-6.1 be repealed.

1 ~~10-45B-6.1. Any person issued a permit pursuant to this chapter prior to March 31, 1997,~~
2 ~~may continue to submit claims for the project.~~

3 Section 9. That § 10-45B-8 be amended to read as follows:

4 10-45B-8. Any person issued a permit pursuant to this chapter shall submit a claim for
5 refund to the department no more frequently than on or before the last day of each month and
6 no less frequently than on or before the last day of each month following each calendar quarter.
7 The secretary shall determine and pay the amount of the tax refund within ninety days of receipt
8 of the claim for refund. Ninety-five percent of the amount of refund shall be paid to the claimant
9 in accordance with §§ 10-59-22 and 10-59-23, and five percent shall be withheld by the
10 department. No interest may be paid on the refund amount. ~~If electronic funds transfer is~~
11 ~~available to the secretary, the secretary shall pay the refund by electronic funds transfer if~~
12 ~~requested by the claimant. The secretary shall pay the refund by electronic funds transfer.~~

13 Section 10. That § 10-45B-8.1 be repealed.

14 ~~10-45B-8.1. No claim for refund pursuant to this chapter may be considered by the~~
15 ~~department if the claim for refund is received after the following applicable time period:~~

16 ~~(1) Twelve months after the thirty-six month time period of § 10-45B-4;~~

17 ~~(2) Twelve months after the thirty-six month time period of § 10-45B-4.1 for projects~~
18 ~~with project costs of sixty million dollars or less;~~

19 ~~(3) Twelve months after the seventy-two month time period of § 10-45B-4.1 for projects~~
20 ~~with project costs of more than sixty million dollars; or~~

21 ~~(4) Twelve months after the extended time period of § 10-45B-4.1 for projects that have~~
22 ~~obtained a time limit extension from the secretary.~~

23 ~~Moreover, any such claim is barred from any future refund eligibility.~~

24 Section 11. That chapter 10-45B be amended by adding thereto a NEW SECTION to read

1 as follows:

2 No claim for refund pursuant to this chapter may be considered by the department if the
3 claim for refund is received twelve months after the thirty-six month time period of section 4
4 of this Act. Moreover, any such claim is barred from any future refund eligibility.

5 Section 12. That § 10-45B-8.2 be repealed.

6 ~~10-45B-8.2. No document or record in support of any claim for refund may be considered~~
7 ~~by the department if the documents or records in support of any claim for refund are received~~
8 ~~after the following applicable time period:~~

9 ~~—(1)—Twelve months after the thirty-six month time period of § 10-45B-4;~~

10 ~~—(2)—Twelve months after the thirty-six month time period of § 10-45B-4.1 for projects~~
11 ~~with project costs of sixty million dollars or less;~~

12 ~~—(3)—Twelve months after the seventy-two month time period of § 10-45B-4.1 for projects~~
13 ~~with project costs of more than sixty million dollars; or~~

14 ~~—(4)—Twelve months after the extended time period of § 10-45B-4.1 for projects that have~~
15 ~~obtained a time limit extension from the secretary.~~

16 ~~Moreover, any such document or record is barred from any future consideration.~~

17 ~~—However, if the department requests any additional document or record from the project~~
18 ~~owner after a review of the claim for refund, and the request is made after the applicable time~~
19 ~~period provided by this section has expired, the project owner has sixty days to provide the~~
20 ~~requested document or record. No document or record received after this sixty-day period may~~
21 ~~be considered by the department. Moreover, any such document or record is barred from any~~
22 ~~future consideration.~~

23 Section 13. That chapter 10-45B be amended by adding thereto a NEW SECTION to read
24 as follows:

1 No document or record in support of any claim for refund may be considered by the
2 department if the documents or records in support of any claim for refund are received twelve
3 months after the thirty-six month time period of section 4 of this Act. Moreover, any such
4 document or record is barred from any future consideration.

5 However, if the department requests any additional document or record from the project
6 owner after a review of the claim for refund, and the request is made after the applicable time
7 period provided by this section has expired, the project owner has sixty days to provide the
8 requested document or record. No document or record received after this sixty-day period may
9 be considered by the department. Moreover, any such document or record is barred from any
10 future consideration.

11 Section 14. That § 10-45B-8.3 be repealed.

12 ~~10-45B-8.3. The provisions of §§ 10-45B-8.1 and 10-45B-8.2 apply to refunds for projects~~
13 ~~only if the permit was applied for after June 30, 2009.~~

14 Section 15. That § 10-45B-9 be amended to read as follows:

15 10-45B-9. The amounts withheld by the department in accordance with § 10-45B-8 shall be
16 retained until the project has been completed and the claimant has met all the conditions of ~~§10-~~
17 ~~45B-4 or 10-45B-4.1~~ section 4 of this Act, at which time all sums retained shall be paid to
18 claimant.

19 Section 16. The provisions of this Act apply to any project where the construction date is
20 after the effective date of this Act.

21 The provisions of chapter 10-45B in effect prior to the effective date of this Act apply to any
22 project where the construction date was before the effective date of this Act.