

AN ACT

ENTITLED, An Act to revise certain provisions regarding the purchase price of rebuilt motor vehicles and to create a motor vehicle excise tax exemption for sales tax paid on parts used in rebuilt motor vehicles and vehicles manufactured by individuals.

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

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

32-5B-4. For the purposes of this chapter, the purchase price is:

- (1) For a new motor vehicle sale or lease, the total consideration whether received in money or otherwise. However, when a motor vehicle is taken in trade as a credit or part payment on a new motor vehicle, the credit or trade-in value allowed by the seller shall be deducted from the total consideration for the new motor vehicle to establish the purchase price;
- (2) For a used motor vehicle sold or leased by a licensed motor vehicle dealer, the total consideration for the used motor vehicle whether received in money or otherwise. However, when a motor vehicle is taken in trade by the dealer as a credit or part payment on a used motor vehicle, the credit or trade-in value allowed by the dealer shall be deducted from the consideration so that the net consideration is established;
- (3) For a used motor vehicle sold, leased, or transferred by any person other than a licensed motor vehicle dealer, the total consideration received in money or otherwise. However, when a motor vehicle is taken in trade as a credit or part payment on a used motor vehicle, the credit or trade-in value shall be deducted from the total consideration so that the net consideration is established. The purchaser and seller of the motor vehicle shall submit to the county treasurer a bill of sale, approved and supplied by the secretary. If a bill of sale is not submitted, the excise tax will be assessed on the retail value as stated in a nationally recognized dealers' guide as approved by the secretary of revenue. If the excise

tax is assessed on the retail value, the value of the motor vehicle taken in as credit on trade-in shall be the retail value as stated in the nationally recognized dealers' guide;

- (4) For a new or used motor vehicle acquired by gift or other transfer for no or nominal consideration, the manufacturers' suggested dealer list price for new motor vehicles and for used motor vehicles the retail value stated in a nationally recognized dealers' guide approved and furnished by the secretary of revenue;
- (5) For a motor vehicle manufactured by a person who registers it under the laws of this state, the amount expended for materials, labor, and other properly allocable costs of manufacture or in the absence of actual expenditures for the manufacture of a part or all of the motor vehicle, the reasonable value of the completed motor vehicle;
- (6) For a rebuilt motor vehicle, upon its initial registration and titling, the total consideration for the salvage vehicle, whether received in money or otherwise, and the total consideration for any assemblies, subassemblies, parts, or component parts used;
- (7) For either a new or used motor vehicle, as defined by § 32-5B-21, which is a closed lease, the total consideration whether received in money or otherwise. Total consideration is all lease payments including cash, rebates, the net trade-in, extended warranties, administrative fees, acquisition fees, or any other fees assessed on the purchase of the vehicle. Total consideration does not include title fees, registration fees, vehicle excise tax paid pursuant to §§ 32-5B-1, 32-5B-1.1, and 32-5B-21 to 32-5B-24, inclusive, federal excise taxes attributable to the sale of the vehicle to the owner or to the lease of the vehicle by the owner, insurance, and refundable deposits;
- (8) For either a new or used motor vehicle, as defined by § 32-5B-21, which is leased, and the terms of the lease are either not certain at the time the lease contract is executed or the lease is open ended, the purchase price shall be the total consideration whether received

in money or otherwise. Total consideration includes the purchase price of the vehicle, plus cash, rebates, the net trade-in, extended warranties, administrative fees, acquisition fees, or any other fees assessed on the purchase of the vehicle. Total consideration does not include title fees, registration fees, vehicle excise tax paid pursuant to §§ 32-5B-1, 32-5B-1.1, and 32-5B-21 to 32-5B-24, inclusive, federal excise taxes attributable to the sale of the vehicle to the owner or to the lease of the vehicle by the owner, insurance, and refundable deposits.

Section 2. That § 32-5B-11 be amended to read as follows:

32-5B-11. If any motor vehicle has been subjected previously to a sales tax, use tax, motor vehicle excise tax, or similar tax by this or any other state or its political subdivision, no tax is owed to this state if the tax has been paid by the applicant to this or any other state. Additionally, any part used in a rebuilt motor vehicle or motor vehicle manufactured by an applicant, previously subjected to sales tax, use tax, motor vehicle excise tax, or similar tax by this or any other state or its political subdivision, is not subject to the tax levied by this chapter, if the applicant applies for registration of the motor vehicle in this state within five years from the purchase date of the part. If the amount of tax levied and paid is the same or more than the amount of tax levied by this chapter, no tax or refund is due under this chapter. The county treasurer shall require of all applicants making application for registration of a motor vehicle in this state an affidavit of a licensed dealer, bill of sale, receipt, or other tangible evidence that the amount of tax has been paid by the current applicant. If sufficient proof is not furnished, the county treasurer shall collect the tax levied by § 32-5B-1 on the retail value of the motor vehicle listed in the National Automobile Dealers' Used Car Guide (NADA). The value shall be the retail value of the motor vehicle on the day it entered the state. If a motor vehicle, after being taxed by this chapter or granted an exemption from part or all of the motor vehicle excise tax by this provision, is sold or traded, the vehicle does not again qualify for

an exemption by this provision, if the vehicle is repurchased by the same applicant.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1041

\_\_\_\_\_  
Chief Clerk

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\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

House Bill No. 1041  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

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Received at this Executive Office this \_\_\_\_ day of \_\_\_\_\_ ,

20\_\_\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor

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The attached Act is hereby approved this \_\_\_\_\_ day of \_\_\_\_\_ , A.D., 20\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,  
ss.

Office of the Secretary of State

Filed \_\_\_\_\_ , 20\_\_\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State