

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

400V0269

## HOUSE BILL NO. 1057

Introduced by: The Committee on Taxation at the request of the Department of Revenue

1 FOR AN ACT ENTITLED, An Act to repeal certain provisions imposing the inheritance tax  
2 and the estate tax.

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

4 Section 1. That § 10-40-2 be repealed.

5 ~~10-40-2. A tax shall be imposed upon any transfer of property, real, personal, or mixed, or~~  
6 ~~any interest therein or income therefrom, in trust or otherwise, to any person, association, or~~  
7 ~~corporation except a county, township, or municipal corporation, within the state, for strictly~~  
8 ~~county, township, or municipal purposes, in the following cases:~~

9 ~~(1) When the transfer is by will or by intestate laws of this state from any person dying~~  
10 ~~possessed of the property while a resident of the state;~~

11 ~~(2) When a transfer is by will or intestate law, of property within the state or within its~~  
12 ~~jurisdiction and the decedent was a nonresident of the state at the time of his death;~~

13 ~~(3) When the transfer is of property made by a resident or by a nonresident when such~~  
14 ~~nonresident's property is within this state, or within its jurisdiction, by deed, grant,~~  
15 ~~bargain, sale, or gift, made in contemplation of the death of the grantor, vendor, or~~



1 donor, or intended to take effect in possession or enjoyment at or after such death.  
2 ~~(4) Intangible personal property owned by a nonresident of South Dakota is not subject~~  
3 ~~to the tax imposed by this section. Intangible personal property held by a revocable~~  
4 ~~or irrevocable trust, which property was transferred to the trust by a decedent who~~  
5 ~~was a nonresident of South Dakota both at the time that such property was transferred~~  
6 ~~to the trust and at the time of death is not subject to the tax imposed by this section.~~  
7 ~~Nothing contained in this subdivision may be construed to alter or affect existing~~  
8 ~~laws concerning transfers by residents of South Dakota.~~

9 Section 2. That § 10-40-1 and §§ 10-40-3 to 10-40-28, inclusive, be repealed.

10 Section 3. That § 10-40A-2 be repealed.

11 ~~10-40A-2. There is hereby imposed an estate tax upon all estates which are subject to the~~  
12 ~~federal tax. The estate tax shall be upon the transfer of the estate of every decedent who, at the~~  
13 ~~time of death, was a resident of this state or was a nonresident with tangible personal property~~  
14 ~~or real property in this state.~~

15 Section 4. That § 10-40A-1 and §§ 10-40A-3 to 10-40A-13, inclusive, be repealed.

16 Section 5. That §§ 10-41-1 to 10-41-85, inclusive, be repealed.