

AN ACT

ENTITLED, An Act to exclude certain municipal taxes from the gross receipts used to determine the tax liability for customers served by electric cooperatives and electric utilities.

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

Section 1. That § 49-34A-45 be amended to read as follows:

49-34A-45. A rural electric cooperative serving less than a majority of customers in a municipality which does not have a municipally owned system, may, at the option of the municipality, pay in addition to other taxes provided by law, an amount to be agreed upon, not to exceed two percent of the total gross revenue collected by the rural electric cooperative for that year, by the electric supplier and the governing body of the municipality. If the parties have not agreed on the amount on or before May first following the calendar year from which the amount is to be paid, the amount to be paid shall be two percent of the total gross revenue collected by the rural electric cooperative from the sale of power distributed to structures and electric service outlets situated within the municipality. The tax imposed by a municipality pursuant to this section may be passed on to the purchaser. Any revenue received by the rural electric cooperative from the tax imposed by a municipality pursuant to this section that is separately stated on the invoice, bill of sale, or similar document is not considered gross receipts as defined in chapter 10-45, 10-46, or 10-52.

Section 2. That § 49-34A-46 be amended to read as follows:

49-34A-46. Any electric utility with facilities within the boundaries of a municipality, as they exist from time to time, which has a municipally owned electric system serving over fifty percent of the customers in the municipality, may, at the option of the municipality, pay to the municipality an amount to be agreed upon by the electric supplier and the governing body of the municipality. If the parties have not agreed on the amount on or before May first following the calendar year from which the amount is to be paid, the amount to be paid shall be four percent of the total gross revenue

collected by the electric supplier from the sale of power delivered to structures and electric service outlets situated within the municipality during the year for which the amount is paid. The tax imposed by a municipality pursuant to this section may be passed on to the purchaser. Any revenue received by the electric utility from the tax imposed by a municipality pursuant to this section that is separately stated on the invoice, bill of sale, or similar document is not considered gross receipts as defined in chapter 10-45, 10-46, or 10-52.

Section 3. That § 10-45-1.19 be amended to read as follows:

10-45-1.19. Notwithstanding any other provision of law, gross receipts as defined in this chapter do not include any tax imposed by this chapter and chapters 10-45D, 10-52, and 10-52A, and §§ 49-34A-45 and 49-34A-46 that is separately stated on the invoice, bill of sale, or similar document given to the purchaser.

An Act to exclude certain municipal taxes from the gross receipts used to determine the tax liability for customers served by electric cooperatives and electric utilities.

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I certify that the attached Act originated in the

SENATE as Bill No. 136

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 136
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