

State of South Dakota

NINETY-THIRD SESSION LEGISLATIVE ASSEMBLY, 2018

328Z0758

HOUSE BILL NO. _____

Introduced by: _____

1 FOR AN ACT ENTITLED, An Act to provide for an excise tax on alcoholic beverage sales and
2 the distribution of the revenue.

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

4 Section 1. That the code be amended by adding a NEW SECTION to read:

5 There is hereby levied on all alcoholic beverages an excise tax imposed at a rate of twenty-
6 five cents per standard serving in accordance with the provisions of section 3 of this Act.

7 Section 2. That the code be amended by adding a NEW SECTION to read:

8 For purposes of this Act, the term, standard serving, means:

- 9 (1) For malt beverages and ciders, twelve ounces;
- 10 (2) For wine, five ounces; and
- 11 (3) For distilled spirits, one and one-half ounces.

12 Section 3. That the code be amended by adding a NEW SECTION to read:

13 The excise tax under section 1 of this Act shall be calculated based on the per-gallon
14 quantities of alcoholic beverages sold at retail. For malt beverages and ciders, the per-gallon
15 excise tax shall be two dollars and sixty-six cents. For wine, the per-gallon excise tax shall be
16 six dollars and forty cents. For distilled spirits, the per-gallon excise tax shall be twenty-one



1 dollars and thirty-three cents.

2 Section 4. That the code be amended by adding a NEW SECTION to read:

3 The department shall promulgate rules in accordance with chapter 1-26 for the payment of
4 the tax in accordance with the provisions of this Act.

5 Section 5. That the code be amended by adding a NEW SECTION to read:

6 There is hereby created in the state treasury the alcoholic beverage health and safety fund.
7 The secretary shall deposit the revenue from the tax imposed by section 1 of this Act into the
8 alcoholic beverage health and safety fund. Fifty percent of the alcoholic beverage health and
9 safety fund shall be used by the state for any purpose related to alcohol harm, including public
10 safety, alcohol treatment programming, underage alcohol and drug prevention programming,
11 healthcare, mental healthcare, child and family services, or adjudication of alcohol-related
12 criminal activity.

13 Section 6. That the code be amended by adding a NEW SECTION to read:

14 Twenty-five percent of the revenue deposited in the alcoholic beverage health and safety
15 fund shall revert to the municipalities. Each municipality's share of the fund shall be determined
16 by the ratio of the population of each municipality to the total population of all the
17 municipalities sharing in the receipts. The amount received by each municipality shall be
18 deposited in the municipality's general fund and shall be used by the municipality for any
19 purpose related to alcohol harm, including public safety, alcohol treatment programming,
20 underage alcohol and drug prevention programming, healthcare, mental healthcare, child and
21 family services, adjudication of alcohol-related criminal activity, or property tax reduction.

22 Section 7. That the code be amended by adding a NEW SECTION to read:

23 Twenty-five percent of all of the revenues deposited in the alcoholic beverage health and
24 safety fund shall revert to the counties. Twenty-five percent of the revenues distributed to

1 counties shall be divided equally by all counties. The remaining seventy-five percent of the
2 revenue shall be allocated to counties by the ratio of the population of each county to the total
3 population of all the counties sharing in the receipts. The amount received by each county shall
4 be deposited in the county's general fund and shall be used by the county for any purpose related
5 to alcohol harm, including public safety, alcohol treatment programming, underage alcohol and
6 drug prevention programming, healthcare, mental healthcare, child and family services,
7 adjudication of alcohol-related criminal activity, or property tax reduction.