

State of South Dakota

NINETY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 2018

627Z0629

HOUSE BILL NO. _____

Introduced by: _____

1 FOR AN ACT ENTITLED, An Act to increase the tax on certain alcoholic beverages and to
2 distribute the revenue.

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

4 Section 1. That chapter 35-5 be amended by adding a NEW SECTION to read:

5 In addition to the tax imposed by §§ 35-5-3 and 35-12-7, a tax is imposed on wholesalers
6 and manufacturers of alcoholic beverages, including farm wineries licensed pursuant to chapter
7 35-12 and artisan distillers licensed pursuant to chapter 35-13, based upon the quantities of
8 alcoholic beverages purchased, received, imported, or manufactured, as follows:

- 9 (1) Malt beverages, fifty-three cents per gallon or pro rata portion thereof;
- 10 (2) All wines, ciders, and diluted beverages, one dollar and twenty-seven cents per gallon
11 or pro rata portion thereof; and
- 12 (3) All other alcoholic beverages not otherwise specified, four dollars and twenty-seven
13 cents per gallon or pro rata portion thereof.

14 The term, diluted beverage, has the same meaning as provided in § 35-5-3.

15 Section 2. That chapter 35-5 be amended by adding a NEW SECTION to read:

16 The tax imposed by this Act shall be administered and collected in the same manner as



1 provided in this chapter for the collection of the occupational tax.

2 Section 3. That chapter 35-5 be amended by adding a NEW SECTION to read:

3 There is hereby created in the state treasury the local government alcoholic beverage fund.

4 The secretary shall deposit the revenue from the tax imposed by section 1 of this Act into the
5 local government alcoholic beverage fund.

6 Section 4. That chapter 35-5 be amended by adding a NEW SECTION to read:

7 Fifty percent of the revenue deposited in the local government alcoholic beverage fund shall
8 revert to the municipalities. Each municipality's share of the fund shall be determined by the
9 ratio of the population of each municipality to the total population of all the municipalities
10 sharing in the receipts. The department shall make the reversion by remitting not later than
11 November first, February first, May first, and August first, of each year to the finance officer
12 of each municipality its share of the fund. The amount received by each municipality shall be
13 deposited in the municipality's general fund.

14 Section 5. That chapter 35-5 be amended by adding a NEW SECTION to read:

15 Fifty percent of all of the revenues deposited in the local government alcoholic beverage
16 fund shall revert to the counties. Twenty-five percent of the revenues distributed to counties
17 shall be divided equally by all counties. The remaining seventy-five percent of the revenue shall
18 be allocated to counties by the ratio of the population of each county to the total population of
19 all the counties sharing in the receipts. The department shall make the reversion by remitting
20 not later than November first, February first, May first, and August first, of each year to the
21 county auditor of each county its share of the fund. The amount received by each county shall
22 be deposited in the county's general fund.