

**TITLE 11 – TAXATION**  
[UNIFORM MUNICIPAL NON-AD VALOREM TAX LAW SDCL 10-52]  
[USE TAX SDCL 10-46]

*Chapter 11.01 – Municipal Sales and Service Tax and Use Tax*  
*Chapter 11.02 – Special Property Tax Classifications*

**CHAPTER 11.01 – MUNICIPAL SALES AND SERVICE TAX AND USE TAX**

- 11.0101 Purpose. The purpose of this chapter is to provide additional needed revenue for the City by imposing a municipal retail sales and use tax pursuant to the powers granted to the municipality by the State of South Dakota, by SDCL 10-52-1 entitled Uniform Municipal Non-Ad Valorem Tax Law, and acts amendatory thereto.
- 11.0102 Effective Date and Enactment of Tax. From and after the 1<sup>st</sup> day of January, 2006, there is hereby imposed as a municipal retail occupational sales and service tax upon the privilege of engaging in business a tax measured by two percent (2%) on the gross receipts of all persons engaged in business within the jurisdiction of the City, who are subject to the South Dakota Retail Occupational Sales and Service Tax, SDCL 10-45 and acts amendatory thereto.
- 11.0103 Use Tax. In addition, there is hereby imposed an excise tax on the privilege of the use, storage and consumption within the jurisdiction of the City of tangible personal or services purchased from and after the 1<sup>st</sup> day of January, 2006, at the same rate as the municipal sales and service tax upon all transactions or use, storage and consumption which are subject to the South Dakota Use Tax Act, SDCL 10-46, and acts amendatory thereto.
- 11.0104 Collection. Such tax is levied pursuant to authorization granted by SDCL 10-52 and acts amendatory thereto, and shall be collected by the South Dakota Department of Revenue and Regulation in accordance with the same rule and regulations applicable to the State Sales Tax and under such additional rules and regulations as the Secretary of Revenue and Regulation of the State of South Dakota shall lawfully prescribe.
- 11.0105 Interpretation. It is declared to be the intention of this chapter and the taxes levied hereunder that the same shall be interpreted and construed in the same manner as all sections of the South Dakota Retail Occupational Sales and Service Act, SDCL 10-45 and acts amendatory thereto and the South Dakota Use Tax, SDCL 10-46 and acts amendatory thereto, and that this shall be considered a similar tax exempt for the same rate thereof to that tax.
- 11.0106 Penalty. Any person failing or refusing to make reports or payments prescribed by this chapter and the rules and regulations relating to the ascertainment and collection of the tax herein levied shall be in violation of this ordinance. In addition, all such collection remedies authorized by SDCL 10-45, and acts amendatory thereto,

and SDCL 10-46, and acts amendatory thereto are hereby authorized for the collection of these excise taxes by the Department of Revenue.

- 11.0107 Separability. If any provision of this Chapter is declared unconstitutional or the application thereof to any person or circumstances held invalid the constitutionality of the remainder of the Chapter and applicability thereof to other persons or circumstances shall not be affected thereby.

#### **CHAPTER 11.02 – SPECIAL PROPERTY TAX CLASSIFICATIONS**

- 11.0201 New Construction. It is deemed in the best interest of the City of Valley Springs to grant a special tax classification to all new industrial and commercial structures, or additions to existing structures, which new structures or additions have a true and full value of Thirty Thousand (\$30,000) Dollars or more, added to real property.
- 11.0202 Classification of Property. All real property qualifying under SDCL 10-6-35.1 and SDCL 10-6-35.24 shall be valued for taxation purposes as follows:
- A. For the first tax year following construction, zero (0%) percent of the assessed valuation shall be used for tax purposes on such property;
  - B. For the second tax year following construction, not more than twenty-five (25%) percent of the usual assessed valuation shall be used for tax purposes on such property;
  - C. For the third year following construction, not more than fifty (50%) percent of the usual assessed valuation shall be used for tax purposes on such property; and
  - D. For the fourth and fifth years following construction, not more than seventy-five (75%) percent of the usual assessed valuation shall be used for tax purposes on such property.
- 11.0203 Restrictions. Pursuant to SDCL 10-6-35.3, no real property shall qualify for the foregoing new construction tax incentive under these ordinances if the structure fails to comply with all air and water pollution laws and standards which are enacted and may be enacted from time to time by the State of South Dakota.