January 2002

South Dakota taxationnews

Department of Revenue Gary Viken, Secretary

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Taxation News is published quarterly by the South Dakota Department of Revenue. Comments or suggestions should be sent to **Taxation News**, SD Department of Revenue; 445 East Capitol Avenue; Pierre, South Dakota 57501; telephone 1-800-TAX-9188. Look for your next issue of "Taxation News" coming in April!

If you'd like to receive revenue news via e-mail, please send your e-mail address to bustax@state.sd.us

Municipal Tax Update

The following municipal tax rate changes go into effect January 1, 2002. Note the new tax rates and new reporting codes if you report municipal tax in these cities.

Artesian (*015-2) is implementing a 2% general sales and use tax rate. Food as defined by the Food Stamp Act will be taxed at 1% (015-1).

Dallas (*089-1) is implementing a 1% general sales and use tax rate.

Dell Rapids is imposing a 3% tax on alcoholic beverages, eating establishments, lodging accommodations, and ticket sales or admissions to places of amusement, athletic and cultural events (094-5).

Flandreau (*125-2) is increasing its general rate from 1% to 2%. Food as defined by the Food Stamp Act will remain at 1% (125-4). A 3% tax rate is being imposed on alcoholic beverages, eating establishments, lodging accommodations and ticket sales to places of amusement, athletic and cultural events (125-3). Flandreau will no longer exempt construction material delivered to a truck of a construction company for use outside city limits.

Fort Pierre (*129-2) will no longer exempt construction materials delivered to a truck of a construction company for use outside city limits.

Letcher (*210-2) is implementing a 2% general sales and use tax rate. Food as defined by the Food Stamp Act will be taxed at 1% (210-1).

Milbank is imposing a 3% tax rate on alcoholic beverages, eating establishments and lodging accommodations (235-4).

Platte is imposing a 3% tax rate on eating establishments (287-7).

All businesses affected by the new tax rates received written notification of the changes last month. A mailing sent December 3rd contained incorrect tax codes for the city of Dallas; businesses in that community should have received an updated version in a mailing sent December 6th. Those not receiving the update should contact the Department of Revenue at 1-800-TAX(829)-9188.

A complete listing of South Dakota cities with municipal taxes as of January 1, 2002 can be found on page 4 of this publication. Codes for reporting the tax on your return are also included; those with an asterisk (*) denote the general rate for that particular city. Also included in the listing are the tribal tax rates. The tribal tax is paid **instead** of the state tax. For more information on tribal tax, contact a Tribal Revenue Office or the South Dakota Department of Revenue.

An explanation of all codes and mandatory municipal exemptions can be found in the Department's Municipal Tax Information Bulletin. Updated bulletins are free of charge and available by contacting the Department of Revenue at 1-800-TAX(829)-9188.

SD QUEST Corner

It's been more than two years since SD QUEST was first offered to taxpayers and during that time, nearly 40,000 returns have been filed through the system. Are you filing **YOUR** states taxes the quick and easy way?

SD QUEST gives you the choice of using the toll-free Telefile system or logging on to the Internet at www.sdquest.com to file and pay your sales, use and contractors' excise taxes. It's available 24 hours a day so you can file your returns when it's convenient for you, and there's no mail delays to worry about. What could be easier?

Sign up for SD QUEST today. Call 1-800-TAX(829)-9188 for more information.

dates to remember

Schedule of Events

January 1 - Happy New Year! **Revenue offices closed.**

January 8- South Dakota Legislature convenes.

January 20 - Paper returns and payments due for monthly filers.

January 21 - Martin Luther King, Jr. Holiday. **Revenue offices closed.**

January 23 - Last day for SD QUEST returns for monthly, bi-monthly, annual and semi-annual filers.

January 30 - SD QUEST electronic payments due.

January 31 - Paper returns and payments due for bi-monthly, annual and semi-annual filers.

February 14 - Happy Valentine's Day!

February 18 - President's Day Holiday. **Revenue offices closed.**

February 20 - Paper returns and payments due for monthly filers.

February 23 - Last day for SD QUEST returns for monthly filers.

February 27 - SD QUEST electronic payments due.

March 12 - Final day of Legislature.

March 17 - Happy St. Patrick's Day!

March 20 - Paper returns and payments due for monthly filers.

March 23 - Last day for SD QUEST returns for monthly and bi-monthly filers.

March 28 - SD QUEST electronic payments due.

March 31 - Paper returns and payments due for bi-monthly filers.

January 2002

Sun	Mon	Tues	Wed	Thur	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21 Offices Closed	22	23	24	25	26
27	28	29	30	31		

February 2002

Sun	Mon	Tues	Wed	Thur	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18 Offices Closed	19	20	21	22	23
24	25	26	27	28		

March 2002

Sun	Mon	Tues	Wed	Thur	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Flag Etiquette

The tragic events of September 11, 2001 and the resulting aftermath have renewed a sense of patriotism in South Dakotans and their fellow Americans. Governor William Janklow offers the following information to assist you in showing the proper respect to the U.S. Flag:

1. **What's the proper way to pledge allegiance to the Flag?** Unless in uniform, you should stand at attention facing the Flag with your right hand over your heart. Men wearing hats should remove the hat with their right hand and hold it at the left shoulder, so their hand is positioned over the heart.
2. **How should proper respect be paid to the Flag?** The Flag should not be dipped to any person or thing, and should never touch anything beneath it, such as the ground or floor. The Flag itself should never be used as apparel, bedding, or drapery.
3. **Should the Flag be flown at night?** Customarily, the Flag is only displayed from sunrise to sunset on buildings and flagstaffs. The Flag may be displayed 24 hours a day if properly illuminated during the hours of darkness. "Proper illumination" means having a sufficient light source so the Flag is recognizable to the casual observer.
4. **Should the Flag be flown during rain or inclement weather?** The Flag should not be displayed during inclement weather except when an all-weather Flag made of nylon or other non-absorbent material is used.
5. **How are other flags to be displayed or flown with the Flag of the United States?** Other flags should not be placed in a position above or in superior prominence to the U.S. Flag; flags of other nations may be displayed at the same height as the Flag in accordance with international rules.
6. **If the Flag is not flown from a staff, how should it be displayed?** The Flag should be displayed vertically and suspended so that its folds will fall free. The stripes may be displayed either horizontally or vertically against a wall or in a window. In such a case, the union (the stars on the blue field) should be uppermost and to the observer's left.
7. **How should the Flag be positioned on a speaker's platform or in a public meeting place?** On a speaker's platform, the Flag is displayed above and behind the speaker. In a public auditorium or meeting room, the Flag is placed prominently in front of the audience to the right of the speaker as he faces the audience; any other flag should be to the left of the speaker.
8. **Why and when are flags flown at half-staff?** The half-staffed flag is a sign that the nation mourns the death of a person or persons. Only the President or a state Governor may order the Flag to be half-staffed. On Memorial Day, the Flag is half-staffed from sunrise to noon, and raised to full staff from noon to sunset. All other flags are lowered or removed when the U.S. Flag is at half-staff.
9. **May a flag patch be worn on a jacket?** Only members of the military, firefighters, police officers, or patriotic organizations may wear a Flag patch on their uniform. The U.S. Flag Code deems the use of a Flag patch on costumes, athletic clothing, or casual wear as inappropriate.
10. **Is it permissible to clean a soiled flag or dispose of one that is worn out?** When a Flag has served its useful purpose, it should be destroyed, preferably by burning. Patriotic organizations often hold Flag disposal ceremonies on Flag Day (June 14). A Flag may be washed or dry-cleaned, depending on the type of material.

Direct Payment Permits Offer Easier Tax Compliance

Some South Dakota businesses are now able to purchase taxable goods and services without immediate payment of tax to the supplier through the use of direct payment permits. The permits, issued by the Department of Revenue, allow taxpayers to accrue and pay the use tax on their purchases directly to the department. To qualify for a direct payment permit, the taxpayer must have a South Dakota sales, use, manufacturer, or wholesaler tax license and have annual purchases of tangible personal property and services totaling at least $3 million that are subject to sales and use tax.

Businesses receiving a copy of a direct payment permit or documentation including the direct payment permit number from their customer are not required to pay sales tax on sales made to that customer, except on certain transactions. The following items may not be purchased with the direct payment permit: taxable meals or beverages; taxable lodging or services related thereto; admissions to places of amusement, entertainment or athletic events, or the privilege of use of amusement devices; motor vehicles or other tangible personal property required to be licensed or titled with a taxing authority, taxed under Title 32; telecommunications services and utilities (gas, electricity, and heating fuel); or such other purchases as may be agreed to between the holder of the direct payment permit and the department.

Revenue officials say the direct payment permit process will allow taxpayers to better accommodate new electronic business practices and administer their tax compliance. Thirty-four states now offer direct payment permits. Interested businesses can contact the department at 1-800-TAX(829)-9188 for more information.

Tax Seminars Set for South Dakota/Surrounding States

Make 2002 the year you educate yourself about state taxes! Learn the basics of sales, use and contractors' excise tax at our free tax seminars. These seminars are designed for new and advanced tax preparers as well as anyone interested in how our state tax system works. The following seminars have been scheduled for the first quarter of 2002:

BASIC TAX SEMINARS

Basic Sales Tax
February 20, 2002
8:00am - 12:00pm
Sioux Falls, SD

Basic Contractors' Excise Tax
February 20, 2002
1:00pm - 5:00pm
Sioux Falls, SD

BORDER ISSUES

IA/SD - Sales Tax
January 24, 2002
9:00am - 12:00pm
Sioux Falls, SD

IA/SD - Contractors' Excise Tax
January 24, 2002
1:00pm - 4:00pm
Sioux Falls, SD

MN/SD - Contractors' Excise Tax
February 12, 2002
1:00pm - 4:30pm
Watertown, SD

SD/NE - Sales Tax
February 13, 2002
9:00am - 12:00pm
Vermillion, SD

SD/NE - Contractors' Excise Tax
February 13, 2002
1:00pm - 4:00pm
Vermillion, SD

SD/NE - Sales Tax
March 13, 2002
1:00pm - 4:00pm
Sioux Falls, SD

SD/NE - Contractors' Excise Tax
March 14, 2002
9:00am - 12:00pm
Sioux Falls, SD

MN/SD - Sales Tax
March 26, 2002
1:00pm - 4:30pm

Contractors' Excise Tax
March 27, 2002
9:00am - 12:00pm
St. Paul, MN

All tax seminars are offered free of charge but registration is required. To register, call our toll-free helpline at 1-800-TAX(829)-9188 or visit our website at www.state.sd.us/revenue.

Taxing Traffic Control Services

How does tax apply to a business providing traffic control services to another company as part of a highway construction project?

Any person contracting with a prime contractor to perform traffic control as part of a highway construction project is a subcontractor. This includes all publicly funded road projects. If the subcontractor receives a prime contractors' exemption certificate, their receipts are not subject to contractors' excise tax.

Traffic control services on all projects **except** highway construction are subject to the 4% state sales tax plus applicable municipal tax. Traffic control services for qualified utility projects are subject to sales tax.

Independent Contractors

Individuals providing services or making realty improvements who call themselves "Independent contractors" are required to have a sales or contractors' excise tax license with the SD Department of Revenue. If an IRS 1099 form is given to a service provider, services in South Dakota are subject to sales tax or contractors' excise tax whether they are performed by an individual, day-laborer, independent contractor or business.

Municipal Taxes on Food

A change in the USDA's Food Stamp Program will affect the way many retailers collect municipal tax on food.

Any food that is sold cold or frozen is subject to the municipal tax rate for food as defined by the Food Stamp Act, even if the ***customer*** can heat it on site. Items such as frozen burritos, cold sandwiches and frozen pizzas will no longer be taxed at the prepared food (higher) rate. Food items that are prepared and sold hot by the retailer are still subject to the municipal tax rate for prepared food. Food such as hotdogs, chicken, pizza and potato wedges are examples of prepared food.

Municipalities may impose a 1% sales tax on food as defined by the Food Stamp Act and a sales tax of up to 3% on prepared food. Municipal taxes are in ***addition*** to the State's 4% sales tax.

January 2002 Municipal Tax Rates

City	Codes	% Rate
Aberdeen	001-1	1.0
Aberdeen*	001-3	2.0
Aberdeen	001-5	3.0
Alcester*	006-1	1.0
Alexandria	007-4	1.0
Alexandria*	007-2	2.0
Alpena*	009-1	1.0
Arlington	013-3	1.0
Arlington*	013-2	2.0
Armour	014-3	1.0
Armour*	014-2	2.0
Artesian	015-1	1.0
Artesian*	015-2	2.0
Avon	020-3	1.0
Avon*	020-2	2.0
Baltic	022-3	1.0
Baltic*	022-2	2.0
Belle Fourche	027-1	1.0
Belle Fourche*	027-2	2.0
Belle Fourche	027-3	3.0
Belvidere	028-4	1.0
Belvidere*	028-2	2.0
Beresford	029-3	1.0
Beresford*	029-2	2.0
Blunt	034-1	1.0
Bonesteel*	035-1	1.0
Bowdle*	036-1	1.0
Box Elder	037-4	1.0
Box Elder*	037-2	2.0
Box Elder	037-5	3.0
Brandon	039-4	1.0
Brandon*	039-2	2.0
Brandt*	040-1	1.0
Bridgewater	042-3	1.0
Bridgewater*	042-2	2.0
Bristol*	043-1	1.0
Britton	044-1	1.0
Britton*	044-2	2.0
Brookings	045-3	1.0
Brookings*	045-4	2.0
Brookings	045-5	3.0
Bryant*	047-1	1.0
Buffalo*	048-1	1.0
Burke	053-3	1.0
Burke*	053-2	2.0
Canistota	055-4	1.0
Canistota*	055-2	2.0
Canova	056-3	1.0
Canova*	056-2	2.0
Canton	057-6	1.0
Canton*	057-5	2.0
Carthage*	061-1	1.0
Castlewood	062-3	1.0
Castlewood*	062-2	2.0
Centerville	065-1	1.0
Centerville*	065-2	2.0
Central City	066-1	1.0
Central City*	066-2	2.0
Chamberlain	067-1	1.0
Chamberlain*	067-2	2.0
Chamberlain	067-3	3.0
Chancellor	068-4	1.0
Chancellor*	068-2	2.0
Chancellor	068-5	3.0
Clark	073-3	1.0
Clark*	073-2	2.0
Clear Lake	075-4	1.0
Clear Lake*	075-2	2.0
Colman*	076-1	1.0
Colome	077-1	1.0
Colome*	077-2	2.0
Colton	078-4	1.0
Colton*	078-2	2.0
Colton	078-3	3.0
Corsica	082-1	1.0
Corsica*	082-2	2.0
Crooks	087-3	1.0
Crooks*	087-2	2.0
Custer*	088-1	2.0
Custer	088-2	3.0
Dallas*	089-1	1.0
Davis	091-1	1.0
Davis*	091-2	2.0
Deadwood	093-8	1.0
Deadwood*	093-2	2.0
Deadwood	093-3	3.0
Dell Rapids	094-4	1.0
Dell Rapids*	094-2	2.0
Dell Rapids	094-5	3.0
Delmont	095-3	1.0
Delmont*	095-2	2.0
DeSmet	092-4	1.0
DeSmet*	092-2	2.0
Doland*	098-1	1.0
Dupree*	101-1	1.0
Eden*	103-1	1.0
Edgemont	104-4	1.0
Edgemont*	104-2	2.0
Egan	105-3	1.0
Egan*	105-2	2.0
Elk Point	106-3	1.0
Elk Point*	106-4	2.0
Elkton	107-3	1.0
Elkton*	107-2	2.0
Emery	110-4	1.0
Emery*	110-2	2.0
Estelline*	113-1	1.0
Ethan	114-3	1.0
Ethan*	114-2	2.0
Eureka	115-1	1.0
Eureka*	115-2	2.0
Faith*	119-1	1.0
Faulkton	121-3	1.0
Faulkton*	121-2	2.0
Flandreau	125-4	1.0
Flandreau*	125-2	2.0
Flandreau	125-3	3.0
Florence*	126-1	1.0
Ft. Pierre	129-6	1.0
Ft. Pierre*	129-2	2.0
Ft. Pierre	129-3	3.0
Freeman	133-3	1.0
Freeman*	133-2	2.0
Garretson	138-3	1.0
Garretson*	138-2	2.0
Gary*	139-1	1.0
Geddes	141-3	1.0
Geddes*	141-2	2.0
Gettysburg	142-1	1.0
Gettysburg*	142-2	2.0
Gettysburg	142-3	3.0
Gregory	147-1	1.0
Gregory*	147-2	2.0
Groton	149-1	1.0
Groton*	149-2	2.0
Groton	149-5	3.0
Harrisburg	151-1	1.0
Harrisburg*	151-2	2.0
Harrold*	153-1	1.0
Hartford	154-4	1.0
Hartford*	154-2	2.0
Hartford	154-5	3.0
Hayti*	156-1	1.0
Henry*	159-1	1.0
Hermosa	160-3	1.0
Hermosa*	160-2	2.0
Herried*	161-1	1.0
Highmore	164-3	1.0
Highmore*	164-2	2.0
Hill City	165-5	1.0
Hill City*	165-2	2.0
Hill City	165-3	3.0
Hitchcock*	166-1	1.0
Hosmer*	168-1	1.0
Hot Springs	169-9	1.0
Hot Springs*	169-4	2.0
Hot Springs	169-5	3.0
Hoven*	171-1	1.0
Howard	172-1	1.0
Howard*	172-2	2.0
Humboldt	175-4	1.0
Humboldt*	175-2	2.0
Humboldt	175-5	3.0
Hurley	176-4	1.0
Hurley*	176-2	2.0
Huron	177-6	1.0
Huron*	177-2	2.0
Huron	177-3	3.0
Interior	179-1	1.0
Interior*	179-2	2.0
Ipswich	181-5	1.0
Ipswich*	181-6	2.0
Irene	182-1	1.0
Irene*	182-2	2.0
Iroquois*	183-1	1.0
Isabel*	184-1	1.0
Java*	185-1	1.0
Jefferson	186-3	1.0
Jefferson*	186-2	2.0
Kadoka	187-3	1.0
Kadoka*	187-4	2.0
Kadoka	187-5	3.0
Kennebec*	190-1	1.0
Keystone*	192-1	2.0
Keystone	192-2	3.0
Kimball	193-4	1.0
Kimball*	193-2	2.0
Lake Andes	197-7	1.0
Lake Andes*	197-2	2.0
Lake Norden*	199-1	1.0
Lake Preston	200-1	1.0
Lake Preston*	200-2	2.0
Langford*	202-1	1.0
Lead	204-5	1.0
Lead*	204-2	2.0
Lead	204-3	3.0
Lemmon	206-1	1.0
Lemmon*	206-4	2.0
Lennox	207-4	1.0
Lennox*	207-2	2.0
Leola*	208-1	1.0
Letcher	210-1	1.0
Letcher*	210-2	2.0
McCook Lake	258-1	1.0
McCook Lake*	258-2	2.0
McIntosh*	219-1	1.0
McLaughlin*	220-1	1.0
Madison	221-3	1.0
Madison*	221-2	2.0
Madison	221-6	3.0
Marion	226-3	1.0
Marion*	226-2	2.0
Martin	227-1	1.0
Martin*	227-2	2.0
Martin	227-3	3.0
Menno*	233-1	1.0
Midland	234-3	1.0
Midland*	234-2	2.0
Milbank	235-3	1.0
Milbank*	235-2	2.0
Milbank	235-4	3.0
Miller	237-1	1.0
Miller*	237-2	2.0
Mission	239-1	1.0
Mission*	239-2	2.0
Mitchell*	242-2	2.0
Mitchell	242-3	3.0
Mobridge	243-4	1.0
Mobridge*	243-3	2.0
Monroe*	244-1	1.0
Montrose	245-4	1.0
Montrose*	245-2	2.0
Mt. Vernon	248-1	1.0
Mt. Vernon*	248-2	2.0
Mt. Vernon	248-3	3.0
Murdo	250-7	1.0
Murdo*	250-2	2.0
Murdo	250-3	3.0
New Underwood*	254-1	2.0
Newell	255-1	1.0
Newell*	255-2	2.0
Nisland	256-3	1.0
Nisland*	256-2	2.0
North Sioux City	258-1	1.0
North Sioux City*	258-2	2.0
Oacoma	261-4	1.0
Oacoma*	261-3	2.0
Oacoma	261-5	3.0
Olivet*	267-1	1.0
Onida	269-3	1.0
Onida*	269-2	2.0
Parker	276-1	1.0
Parker*	276-2	2.0
Parkston	277-1	1.0
Parkston*	277-2	2.0
Parkston	277-3	3.0
Philip	280-3	1.0
Philip*	280-2	2.0
Pickstown*	281-1	1.0
Pierre*	284-6	2.0
Pierre	284-7	3.0
Plankinton	286-1	1.0
Plankinton*	286-2	2.0
Platte	287-1	1.0
Platte*	287-2	2.0
Platte	287-7	3.0
Pollock*	288-1	1.0
Presho*	291-1	1.0
Ramona*	297-1	1.0
Rapid City*	298-2	2.0
Rapid City	298-3	3.0
Redfield	301-1	1.0
Redfield*	301-2	2.0
Redfield	301-7	3.0
Reliance	305-3	1.0
Reliance*	305-2	2.0
Roscoe*	312-1	1.0
Rosholt*	314-1	1.0
Roslyn*	315-1	1.0
Salem	322-1	1.0
Salem*	322-2	2.0
Scotland	324-3	1.0
Scotland*	324-2	2.0
Selby*	325-1	1.0
Sherman*	328-1	1.0
Sioux Falls	330-8	1.0
Sioux Falls*	330-2	2.0
Sioux Falls	330-3	3.0
Sioux Falls	800-1	1.0
Sisseton	331-3	1.0
Sisseton*	331-2	2.0
Spearfish*	334-2	2.0
Spearfish	334-3	3.0
Spencer	335-3	1.0
Spencer*	335-2	2.0
Springfield*	336-1	1.0
Stickney	337-3	1.0
Stickney*	337-2	2.0
Stratford*	340-1	1.0
Sturgis	341-6	1.0
Sturgis*	341-2	2.0
Sturgis	341-3	3.0
Summit*	342-1	1.0
Tabor*	343-1	1.0
Tea	344-4	1.0
Tea*	344-2	2.0
Tea	344-5	3.0
Timber Lake	345-3	1.0
Timber Lake*	345-2	2.0
Toronto*	347-1	1.0
Trent*	349-1	1.0
Tripp	350-3	1.0
Tripp*	350-2	2.0
Tulare*	351-1	1.0
Tyndall*	355-1	1.0
Valley Springs*	359-1	1.0
Veblen*	360-1	1.0
Vermillion	362-1	1.0
Vermillion*	362-2	2.0
Vermillion	362-3	3.0
Viborg	363-1	1.0
Viborg*	363-2	2.0
Volga*	367-1	1.0
Volin*	368-1	1.0
Wagner	369-1	1.0
Wagner*	369-2	2.0
Wakonda*	370-1	1.0
Wall	372-1	1.0
Wall*	372-2	2.0
Wall	372-3	3.0
Warner	376-1	1.0
Warner*	376-2	2.0
Wasta*	377-1	1.0
Watertown	379-1	1.0
Watertown*	379-2	2.0
Watertown	379-3	3.0
Waubay	380-3	1.0
Waubay*	380-2	2.0
Webster	382-1	1.0
Webster*	382-2	2.0
Wentworth*	383-1	1.0
Wessington*	384-1	1.0
Wessington Springs	385-1	1.0
Wessington Springs*	385-2	2.0
White Lake*	389-1	1.0
White River	391-1	1.0
White River*	391-2	2.0
Whitewood	393-1	1.0
Whitewood*	393-2	2.0
Willow Lake	394-1	1.0
Willow Lake*	394-2	2.0
Wilmot*	395-1	1.0
Winner	397-1	1.0
Winner*	397-2	2.0
Witten*	398-1	1.0
Woonsocket	401-3	1.0
Woonsocket*	401-2	2.0
Worthing	402-3	1.0
Worthing*	402-2	2.0
Worthing	402-4	3.0
Yankton	405-1	1.0
Yankton*	405-2	2.0
Yankton	405-3	3.0

	Tourism Tax	
Tourism	700-1	1.0

	Motor Vehicle	
MVLR	600-1	4.5

	Tribal Tax	
Cheyenne*	408-4	4.0
Cheyenne	408-3	3.0
Cheyenne Excise	408-2	2.0
Pine Ridge*	411-4	4.0
Pine Ridge	411-3	3.0
Pine Ridge Excise	411-2	2.0
Rosebud*	412-4	4.0
Rosebud	412-3	3.0
Rosebud Excise	412-2	2.0
Stand. Rock*	413-4	4.0
Stand. Rock	413-3	3.0
Stand. Rock Excise	413-2	2.0

Department of Revenue
445 East Capitol Avenue
Pierre, SD 57501

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Contacting us may save you time and money!

1-800-TAX-9188

We're on the Web!
www.state.sd.us/revenue

insights...from the Secretary of Revenue

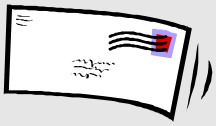
2001 was another busy year for our department, as we continued to look for ways to improve communication and service to taxpayers and make it easier to file returns. SD QUEST, which allows taxpayers to file returns and pay taxes electronically has now been operational for two years and continues to grow in popularity . . . try it, you'll like it. Over 26% of all business tax returns were filed electronically this year, and that percentage continues to grow. The awful events of September 11 are likely to stimulate increasing emphasis by both the IRS and state tax entities on filing and conducting more business electronically.

The year also saw much effort on our part to work cooperatively with other states on simplification of sales tax systems in the on-going attempt to level the sales tax playing field between traditional retailers and those selling over the Internet. The 15-member task force created by the legislature to study sales tax simplification for South Dakota has given its recommendations to Governor Janklow. The likely outcome will be legislation to allow our state to join many others in streamlining the administration of the sales tax so that it will work in today's rapidly growing electronic business world.

Should you have tax questions, please drop us a line, visit our nearest office or give us a call at 1-800-TAX-9188. We always enjoy hearing from you.

On behalf of the entire staff of the SD Department of Revenue, I hope you had a happy holiday season and you have a most prosperous New Year!

Q & A



Mail Safety

Attention Taxpayers: Due to the increasing concern over the safety of mail coming into the State of South Dakota, please make sure all correspondence to the Department of Revenue has your name and return address on it. This will ensure that your tax payments, returns, requests, etc. are handled in a timely manner. Thank you.

Have a question you'd like answered in the "Q & A"? Just mail your question to S.D. Department of Revenue, Attn: Sara Ogan, 445 East Capitol Ave., Pierre, SD 57501 or fax to 605-773-6729.