

The Collection and Remittance of Sales Tax

The purpose of this document is to provide Regental institutions guidance in the assessment, collection, and remittance of state, tribal, local and tourism taxes. The institutions and centers responsible for collecting such taxes governed by the BOR are as follows:

- BHSU – Spearfish
- DSU – Madison
- NSU – Aberdeen
- SDSMT – Rapid City
- SDSU – Brookings
- USD – Vermillion
- Capitol University Center – Pierre
- University Center – Sioux Falls
- West River Graduate Center – Rapid City
- SD School for the Blind & Visually Impaired – Aberdeen
- SD School for the Deaf – Sioux Falls

The sale of tangible goods and services acquired at institutions, special schools, and centers are subject to South Dakota sales & use tax; and applicable municipal sales & use tax, municipal gross receipts tax, and tourism tax.

The sale of tangible goods and services delivered to other South Dakota communities are assessed South Dakota sales tax and applicable tourism tax. However, if the delivery is within the Special Tribal Jurisdictions, the tribal sales tax and applicable tourism tax is assessed instead of the South Dakota sales tax and tourism tax.

Deliveries within the city limits of South Dakota communities are assessed applicable municipal sales and gross receipts taxes. Deliveries outside of city limits are not assessed municipal sales and gross receipt taxes.

Tax Match utility tool on South Dakota Department of Revenue and Regulation (DRR) Business Tax Division site lists applicable tax rate codes are based physical address location.

<http://www.state.sd.us/drr2/businesstax/GIS/taxmatch.htm>

Municipal and tribal tax rate charts may be found on DRR's website.

<http://www.state.sd.us/drr2/businesstax/municipaltax/municipaltax.htm>

Municipal, tribal, university and other publications may be found on DRR's

website. <http://www.state.sd.us/drr2/businesstax/publications/publications.htm>

The sale of goods and services delivered to locations outside of South Dakota are not assessed state or municipal taxes.

The final delivery location of goods and services purchased online, by telephone or by mail determines the assessment of applicable state/tribal sales tax, municipal taxes and tourism tax. Institutions, special schools and centers may enter into agreements with third parties to provide services to students, faculty and patrons. Third party agreements may include food service, bookstore, internet sales, and other services. The agreement shall require the third party to be responsible for collecting and remitting applicable sales taxes.

The tables on the following pages provide a quick reference guide to business units at the special schools, universities and centers. Tables are based on SDCL and DRR regulations and publications effective July 2010. Tables are subject to change as DRR updates regulations and publications and revisions to SDCL occur through legislative action.

Table I, General Sales Processing, provides general overview on whether or not a transaction is subject to sales tax.

Table II, Sales Tax Rate, indicates which rates should be assessed on the applicable revenue transaction.

Table I - General Sales Processing

SERVICE/DESCRIPTION	Non-Taxable	Taxable
Sales to Churches		√
Sales to Foundations		√
Sales to Governmental Agencies - Federal, State, Municipal, Tribal, etc.	√	
Sales to Businesses, organizations, individuals (including students, faculty, & staff), etc		√
Sales - Goods and services delivered to locations outside of SD	√	
Sales - Presentation of sales tax certificate	√	
Sales to University - Agency Fund Transactions		√
Sales to University departments - excluding Agency Funds	√	

Table II – Sales Tax Rate

SERVICE/DESCRIPTION	EXEMPT	STATE SALES	MUNICIPAL SALES	MUNICIPAL GROSS RECEIPTS	TOURISM
Admission to Spectator Events/Activities - Athletics, fine arts, symposiums, etc (SDCL 10-45-13 (4)) sponsored and operated by Universities - net proceeds are spent for educational purposes	√				
Admission to Spectator Events/Activities - Athletics, fine arts, symposiums, etc (SDCL 10-45-13 (4)) sponsored and operated by Universities - net proceeds are used for purposed other than education		√	√	√	√
Admission/Entrance Fees – Fitness, Wellness & other facilities use (excluding museums & spectator event venues)		√	√		
Advertising	√				
Bookstore Sales		√	√		
Commission Income	√				
Concessions at Spectator Events - Pre-packaged foods (candy, bottled water, canned pop), clothing, souvenirs, etc		√	√		√
Concessions at Spectator Events - Prepared foods such as pizza, popcorn, hotdogs, hot drinks, fountain pop, etc		√	√	√	√
Copy/Printing Services - Library (SDCL 10-45-13.4)	√				
Copy/Printing Services - University use only	√				
Copy/Printing Services -Personal use only - Fee for service operation or coin/stored value card operated machines		√	√		
Dairy Retail Sales - Packaged or bulk foods		√	√		
Dairy Retail Sales - Prepared foods such as ice cream cones, shakes, etc.		√	√	√	
Day Care Services	√				
Dental Services	√				
Donations - documentation available for verification	√				
Educational Service	√				
Fee for Services - Consulting, Researching, Testing, etc		√	√		
Fines - library or parking	√				

SERVICE/DESCRIPTION	EXEMPT	STATE SALES	MUNICIPAL SALES	MUNICIPAL GROSS RECEIPTS	TOURISM
Fundraising by student association or clubs - sales tax not paid to supplier at time of purchase - excluding prepared food sales		√	√		
Fundraising by student association or clubs - sales tax not paid to supplier at time of purchase - prepared food sales		√	√	√	
Fundraising by student associations or clubs - sales tax paid to supplier at time of purchase	√				
Grant - award is used to produce a product (SDCL 10-45-5.2)		√	√		
Grants - award is support research and sponsored activities (SDCL 10-45-5.2)	√				
Library Services	√				
Livestock Sales (SDCL 10-45-18 & 10-46-16)	√				
Meal Flex Dollars - Prepackage Foods - assessed at time of purchase		√	√		
Meal Flex Dollars - Prepared Foods - assessed at time of purchase		√	√	√	
Meal Plans - Included in compensation of resident assistants, residence hall directors, and other employees		√	√		
Meal Plans - Purchase by students and other individuals		√	√	√	
Meat Retail Sales - packaged or bulk foods		√	√		
Meat Retail Sales - Prepared foods		√	√	√	
Medical Services	√				
Membership - Business associations, professional organizations, fraternal associations	√				
Membership - Fitness/Wellness Centers excluding museums - right to purchase table property or services		√	√		
Museum Admissions & Memberships		√	√	√	√
Museum Gift Shop Sales - All items excluding prepared foods		√	√		√
Museum Gift Shop Sales - Prepared foods		√	√	√	√
Newspapers, Publications, Brochures, Books, Printed Materials & Subscriptions		√	√		
Parking Fee & Permits - Faculty, staff & students	√				
Parking Fee & Permits -Guests		√	√		

SERVICE/DESCRIPTION	EXEMPT	STATE SALES	MUNICIPAL SALES	MUNICIPAL GROSS RECEIPTS	TOURISM
Prescription Drugs & Controlled Substances - Dispensed by Pharmacy (SDCL 10-45-14.10)	√				
Registration fees - Conferences, seminars, workshops, etc - conducted & operated by University - net proceeds are deposited and spent for educational purposes. If Registration includes cost of food/meals, then payment to food/meal vendor must include sales tax	√				
Rentals - Athletic, recreational & sports equipment personal use - less than 28 days		√	√		√
Rentals - Equipment excluding athletic, recreational & sports equipment - personal use - less than 28 days		√	√		
Rentals - Equipment, Facilities, Resident Hall Rooms, etc - 28 days or more	√				
Rentals - Facilities, classrooms, multipurpose rooms, etc excludes the cost of food or food is billed as separate line item		√	√		
Rentals - Facilities, classrooms, multipurpose rooms, etc - cost of food/meals is included in invoice and not itemized and taxed as separate line item		√	√	√	
Rentals - Lodging/Residence Hall Rooms/Garages - Transient Guests - Less than 28 days		√	√	√	√
Seed Testing Services		√	√		
Seeds - Sales for agricultural purposes (SDCL 10-45-15)	√				
Soil Testing Services		√	√		
Sponsor Fees	√				
Sports training programs - academic credit	√				
Sports training programs - excluding academic credit		√	√		
Veterinary Diagnostic Services		√	√		
Youth Camp Registration - (athletic, academic, fine arts, etc) - sponsored and operated by universities if entire net proceeds are deposited into University's non-agency fund accounts and spent for educational purposes; Sales is due on all items sold at the camp unless sales tax is paid to the vendor at the time the items are purchased (housing, food service, camp shirts, etc)	√				

SERVICE/DESCRIPTION	EXEMPT	STATE SALES	MUNICIPAL SALES	MUNICIPAL GROSS RECEIPTS	TOURISM
Youth Camp Registration - (athletic, academic, fine arts, etc) - sponsored and operated by universities if entire net proceeds are not spent educational purposes (e.g., net proceeds paid to faculty member in charge of event), then the entire registration fee is subject to sales tax.		√	√		√
Youth Camp Store - Clothing, publications, souvenirs, pre-package food, bottle water/pop, other tangible property		√	√		√
Youth Camp Store - Prepared food		√	√	√	√
Youth Camp Store - Sales tax paid to supplier on purchase of all items for resale	√				