State of South Dakota

NINETIETH SESSION
LEGISLATIVE ASSEMBLY, 2015

186W0461

SENATE COMMERCE AND ENERGY

ENGROSSED NO. SB 180 - 02/24/2015

Introduced by: Senators Rave, Frerichs, Greenfield (Brock), and Peterson (Jim) and Representatives Solum, Deutsch, Hawley, Kirschman, and Wiik

FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the production tax for wind energy facilities.

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

Section 1. That § 10-35-19 be amended to read as follows:

10-35-19. Any company owning or holding under lease, or otherwise, real or personal property used, or intended for use, as a wind farm producing power for the first time on or after July 1, 2007, shall pay an annual tax of ~~two percent of the gross receipts of~~ $.00040 per kilowatt hour of electricity produced by the wind farm. ~~For purposes of this section, the gross receipts of the wind farm is its production of electricity in kilowatt hours multiplied by the South Dakota electricity base rate of $0.0475 per kilowatt hour in 2008, with the electricity base rate of $0.0475 per kilowatt hour increasing by 2.5 percent on an annual basis thereafter, as determined by the secretary.~~ The owner of a wind farm subject to the tax ~~under this section~~ shall file a report with the secretary detailing the amount of electricity in kilowatt-hours that was produced by the wind farm for the previous calendar year. The secretary shall prescribe the form of the report.

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Insertions into existing statutes are indicated by underscores.
Deletions from existing statutes are indicated by ~~overstrikes~~.

The tax for the gross receipts generated in a calendar year shall become due and be payable to the secretary on the first day of February of the following year. Except as otherwise provided in §§ 10-35-16 to 10-35-22, inclusive, the provisions of chapter 10-59 apply to the administration of the tax.

Section 2. That § 10-35-22 be repealed.

~~10-35-22. Any company requiring transmission lines or wind farm collector systems or both in South Dakota for a wind farm or a power generation facility as described in § 10-35-1.3, is eligible for a partial rebate of the tax paid under § 10-35-19. The company shall apply for the rebate on forms prescribed by the secretary. The total amount of tax rebated shall be no more than fifty percent of the cost of the transmission lines and wind farm collector systems in South Dakota.~~

~~The maximum rebate any company may receive in one year is ninety percent of the tax paid under § 10-35-19 for the first five years and fifty percent of the tax paid under § 10-35-19 for the next five years. The secretary shall determine when the wind farm is commercially operational. No wind farm may receive a rebate under this section after this ten year period.~~

~~The secretary shall rebate the tax from the wind energy tax fund prior to the distribution of any money as provided in § 10-35-21. The secretary may provide a tax credit, in lieu of full payment of the gross receipts tax, of up to eighty percent of the transmission rebate value that has been approved by the secretary. Any revenue in the wind energy tax fund after the rebates are paid shall be deposited in the property tax reduction fund.~~