

This tax fact sheet is designed to explain to taxidermists how sales and use tax applies to items and services they sell. If your specific question is not answered in this tax fact sheet, please call our toll-free helpline at 1-800-TAX-9188 weekdays from 8-5 CT.

Information found in this document rescinds and replaces all previous, written information on this subject. All readers and users of this publication are responsible for keeping informed about changes in tax laws and regulations by reading the Department of Revenue newsletters, press releases, Tax Facts, and other documents published by the department.

Taxidermy Services and Sales

Taxidermy services, and the sale of related products, are subject to state sales tax plus applicable municipal sales tax. This is based on where the customer receives the service. Sales tax on merchandise is based on where possession of the merchandise takes place. Sales tax also applies to the delivery charges.

Purchases Exempt from Sales Tax

Products or services can be purchased exempt from sales tax by the taxidermist, provided the product or service is an integral and inseparable component of the ultimate service to its customer.

The following are component parts that may be purchased exempt from sales tax, the list is not inclusive:

- clay
- eyes
- foam
- forms
- game animals
- glass
- paint
- plastic ear liners
- staples
- wire

Taxidermists must give an exemption certificate to their suppliers in order to purchase component parts exempt from sales tax.

Taxidermists who sell products or merchandise such as hide tanning kits, knives, display cases, etc. may purchase those items for resale. Taxidermists must give an exemption certificate to their suppliers in order to purchase merchandise exempt from sales tax.

State law requires exemption certificates to be complete and accurate. The buyer will be held responsible for properly completing an exemption certificate. Exemption certificates may be obtained from the department's website at www.state.sd.us/drr.

Sales for Resale

A taxidermist may sell his or her services or products for resale if the buyer provides an exemption certificate. It is the buyer's responsibility to know when a service or product qualifies as a sale for resale. The seller is responsible for maintaining a complete exemption certificate. For more information on sales for resale view our website at www.state.sd.us/drr.

Supplies and Materials

Tangible personal property consumed by the taxidermist in the course of doing business is subject to sales or use tax. A taxidermist cannot issue an exemption certificate to the supplier for these types of items. The following items are subject to sales or use tax, the list is not inclusive:

- chemicals
- cleaning supplies
- pens
- receipt books
- tools

Use Tax

Supplies, materials, or services purchased without an exemption certificate are subject to use tax, if appropriate sales tax was not paid at the time of purchase. The state use tax rate is 4%, plus applicable municipal use tax, and is payable to the Department of Revenue in the filing period in which the taxidermist receives the supplies or services.

Tangible personal property delivered into South Dakota by the supplier or by a transportation company hired by the customer, is subject to the South Dakota sales or use tax, even if the supplier charges another state's sales tax.

When a purchase is made out of state and possession is taken out of state the supplier may charge you that state's sales tax. If the rate of the other state's sales tax is the same or more than South Dakota's tax rate, you do not owe any South Dakota use tax. If it is less than South Dakota's, you pay the difference in use tax. Add the state and any applicable city rates together to determine if you owe additional use tax. Use tax is also due on supplies taken out of retail inventory for the taxidermist's personal use. Use tax is due on these items in the filing period they are taken out of inventory.

Example

In January, a South Dakota taxidermist purchased business supplies from a supplier in another state. The supplier did not pay sales tax. The taxidermist must pay use tax on the purchase price of taxable items on the January sales tax return

Municipal Tax

In South Dakota, more than 190 municipalities have an additional sales or use tax. If a business is located in one of these municipalities, the correct rate to apply to taxidermist's sales and services is the municipality's general rate plus the state rate of 4%. An asterisk (*) indicates a municipality's general tax rate in the Municipal Tax Information Bulletin which is available on our website at www.state.us.sd/drr.

Exempt Entities

Accredited schools, non-profit hospitals, approved relief agencies and government entities are exempt from sales and use tax.

Government entities must provide an exemption certificate to the vendor or the vendor must keep documentation to show the purchase was paid from government funds.

Documentation may include a purchase order or a check stub. Relief agencies and religious or private schools must provide an exemption certificate to purchase products and services exempt from sales and use tax.

Required Records

Taxidermists must have a South Dakota sales tax license for each place of business within the state. Records, such as purchase and sales invoices, bills of lading, books of all receipts and sales, cash register receipts, and other pertinent papers and documents, are required to be kept for at least three years and be available for inspection during business hours.

Talk to Us!

If you have a tax problem or question, call the South Dakota Department of Revenue toll-free at 1-800-TAX-9188. Visit us on the web at www.state.sd.us/drr, email us at bustax@state.sd.us or write us:

**South Dakota
Department of Revenue
445 East Capitol Ave.
Pierre, SD 57501-3100**

<p>Aberdeen 419 Moccasin Drive Aberdeen, SD 57401-5085</p> <p>Mitchell 417 N. Main, Suite 112 Mitchell, SD 57301-2600</p> <p>Rapid City 4447 S. Canyon Road, Suite 6 Rapid City, SD 57702-1889</p>	<p>Sioux Falls 300 S. Sycamore, Suite 102 Sioux Falls, SD 57110</p> <p>Watertown 1505 10th Avenue SE, Suite 1 Watertown, SD 57201-5300</p> <p>Yankton 1900 Summit Street Yankton, SD 57078-1951</p>
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