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State Tourism Tax Going Up July 1

(PIERRE, SD) – People enjoying South Dakota’s many special events, and marveling over the state’s prehistoric and historic heritage will help to support two organizations promoting them when South Dakota’s tourism tax increases next month.

Effective July 1, the tourism tax rate increases from 1% to 1.5%, under a law passed by the 2009 South Dakota Legislature. The new rate, which amounts to an extra \$.50 per \$100, will remain in effect until June 30, 2011. The tax increase is expected to raise about \$2.6 million in additional revenue annually, a portion of which will go to fund the South Dakota Arts Council and the state’s Archaeological Research Center.

First enacted in 1995, the tourism tax applies year-round to the gross receipts of hotels and lodging establishments; campgrounds; motor vehicle and recreational equipment rentals; recreational services; spectator events; and visitor attractions.

The tax also applies to the gross receipts of visitor-intensive businesses during the months of June, July, August, and September. State law defines visitor-intensive businesses as “any antique shop, book store, candy store, flea market, gift shop, indigenous arts and crafts shop, jewelry, lapidary shop, leather goods shop, marina, novelty shop, pottery shop, rock shop, souvenir shop, and tee shirt shop” if 50% or more of the business’ annual total receipts come from the sale of tangible personal property or any product transferred electronically during the months of June through September.

For more information on South Dakota’s tourism tax, visit the Department of Revenue & Regulation’s website at www.state.sd.us/drr or call their toll-free helpline at 800.829.9188.