

South Dakota Filming Tax Refund FAQ

Q: Who is eligible for the Tax Refund?

A: Nationally or regionally distributed motion picture, documentary, television film or single television advertising projects made in South Dakota with project costs exceeding \$250,000 in taxable costs incurred in South Dakota. To be eligible for the refund, a filming project must begin on or after July 1, 2006.

Q: Are there any types of productions that are not eligible?

A: This incentive does not include production of news coverage or athletic events or productions that contain obscene material or performances described in SDCL 22-24- 27. See: <http://legis.state.sd.us/statutes/DisplayStatute.aspx?Statute=22-24-7&Type=Statute>

Q: When does an interested party apply for the program?

A: Interested parties must file an application at least 30 days before the start of a project they anticipate will be eligible for the refund.

Q: Can applications be found online?

A: Yes. Applications and more information can be found at www.state.sd.us/drr/. Once there, click on the link titled “Forms,” then “Business Tax Forms” and then “Application for Tax Refund or Delay Programs.”

Q: Must the entire project be filmed in South Dakota?

A: No. The refund does require that South Dakota costs exceed \$250,000.

Q: How much is the refund?

A: 100% of South Dakota contractor's excise tax and 100% of South Dakota sales and use tax will be refunded on South Dakota project costs greater than \$250,000.

Q: Is there a separate form to request the refund payment?

A: Yes. Applicants have a choice to receive a hardcopy form that will accompany the approved application or an electronic file via e-mail or disc.

Q: How much time does a company have to request a refund?

A: A company has no longer than 60 days after the completion of the project to file for a refund. Additionally, refunds must be submitted within 36 months from the date the application is approved or the company is no longer eligible. Should a filming project take longer than 36 months, refunds can be requested incrementally during the project's first 36 months.

Q: How long does it take to receive the refund payment?

A: Refunds are made within 30 days of receipt of the refund request as long as all information is provided. Requested information not included on the request form can delay payment.

Q: Is municipal tax eligible for refund?

A: No.

Q: Does a separate application need to be filed for each project?

A: Yes.

Q: Who do I contact for questions or more information?

A: Call the SD Dept. of Revenue at (800) 829-9188 or e-mail them at bustax@state.sd.us.

Tax Refund and Delay Application

South Dakota
Department of Revenue & Regulation
Business Tax Division

Tax Refund or Delay Programs

Seven GREAT Reasons to do Business in our State

Tax Help That Works!

Find tax answers toll-free at 1-800-829-9188.

E-mail: bustax@state.sd.us

Website: www.state.sd.us/drr

Filing your TAXES has never been easier with SDQUEST.com

Form Instructions

The State of South Dakota offers several programs for businesses to seek a tax refund or to delay the payment of tax. These programs may be applied for by the owner of the project. The programs pertain only to South Dakota State Sales, Use or Contractors' Excise Taxes; Municipal Taxes are not included in the refund calculations.

Each program requires the completion of an application and each project requires a separate application. Only one program may be applied for per project. Application filing deadlines are specific to each project and are detailed below.

Please complete the application form entirely indicating which program you are applying for.

The programs available are:

1. New or Expanded Agricultural Processing Facility Refund (SDCL 10-45B)

- Project Cost Exceeds \$4.5 Million
- Refund of South Dakota Contractors' Excise Taxes on the Project
- Refund of the South Dakota Sales or Use Taxes on Agricultural Processing Equipment
- Filing deadline: Anytime prior to the construction date or up to 180 days after the construction date

2. New or Expanded Business Facility Refund (SDCL 10-45B)

- Any New Business Facility or Expansion of an Existing Facility, **except for:**
 - Buildings used for the sale of retail products – not including the sale of electricity
 - Residential housing or transient lodging
 - Health Care Service Facilities
 - Structures not subject to Ad Valorem Real Property Tax
- Refund of a Percentage of the Taxes Paid based on Project Costs:
 - Costs of \$10 Million or Less, No Refund
 - Costs from \$10 Million to \$15 Million, Refund 25% of the Taxes Paid
 - Costs from \$15 Million to \$20 Million, Refund 33% of the Taxes Paid
 - Costs from \$20 Million to \$40 Million, Refund 50% of the Taxes Paid
 - Costs from \$40 Million to \$60 Million, Refund 67% of the Taxes Paid
 - Costs from \$60 Million to \$600 Million, Refund 75% of the Taxes Paid
 - Costs over \$600 Million, Refund 90% of the Taxes Paid

Example: On a 22 million dollar Project there would be no refund for the first \$10 million in costs, a 25% tax refund for the next \$5 million in costs, (between \$10 and \$15 million), a 33% tax refund for the next \$5 million in costs (between \$15 to \$20 million) and a 50% tax refund for the final \$2 million in costs.
- Refund of South Dakota Contractors' Excise, Sales and Use Taxes on the Project Costs based on percentages outlined above.
- Filing deadline: Anytime prior to the construction date or up to 180 days after the construction date

3. Commercial Small Power Production Refund (SDCL 49-34A)

- Power Production Facility Producing 10 Megawatts or Less of Electricity
- Utilizing Renewable Resource
- Refund of South Dakota Contractors' Excise Taxes on the Project
- Filing deadline: At least 30 days prior to the construction date

4. Power Production Delay to Pay Excise Tax (SDCL 10-46C)

- Power Production Facility Producing more than 10 Megawatts of Electricity
- Utilizing Renewable Resource
- Project owner pays South Dakota Contractors' Excise Tax Rate of 1% on the Project paid in 4 equal payments due annually
- Filing deadline: At least 30 days prior to the construction date

5. Motion Picture, Documentary & Television Production Refund (SDCL 10-46D)

- For Motion Picture, Documentary, Single Television Advertisement or Television Film
- Must be Nationally or Regionally Distributed for Theatrical, Television, Video or Internet viewing
- Does not include Production of News Coverage or Athletic Events or Productions that contain obscene material or performances described in SDCL 22-24-27
- Project Costs incurred in South Dakota must exceed \$250,000
- Refund of South Dakota Contractors' Excise, Sales and Use Taxes of Costs in excess of \$250,000
- Filing deadline: At least 30 days prior to filming date of Production in South Dakota

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05/06

Tax Refund or Delay Programs
South Dakota Department of Revenue & Regulation
445 E. Capitol Avenue | Pierre, SD 57501-3185 | 1-800-TAX-9188

Company Information

Owner, Partner or Corporation Name		Federal Employer's Identification Number (FEIN)	
Address (Street, City, County, State, Zip)			
Telephone Number	Fax Number	Email	
Mailing Address (If different from above)			
Business Name (If different from above)			
Business Address (If different from above)			
Type of Ownership <input type="checkbox"/> Single Owner <input type="checkbox"/> Trust <input type="checkbox"/> Partnership <input type="checkbox"/> LLC--State of Incorporation _____ Date of Incorporation _____ <input type="checkbox"/> Corporation--State of Incorporation _____ Date of Incorporation _____			
Individual responsible for filing refund forms (Name, Address, Phone and Email)			

Type of Program Applying For

<input type="checkbox"/> New Agricultural Processing Facility Refund (SDCL 10-45B)			
<input type="checkbox"/> Soybean Processing Facility Expansion Refund (SDCL 10-45B)			
<input type="checkbox"/> New or Expanded Business Facility Refund (SDCL 10-45B)			
<input type="checkbox"/> Commercial Small Power Production Refund (SDCL 49-34A)			
<input type="checkbox"/> Power Production Delay to Pay Excise Tax (SDCL 10-46C)			
<input type="checkbox"/> Motion Picture, Documentary, and Television Production Refund (SDCL 10-46D)			
Project Name, Location and Legal Description			
Description of the project. Include Prime Contractor if construction project (if known).			
Estimated Total Cost of the Project	Construction Date/Filming Date	Projected Finish Date	

Ownership Information

Name	Social Security Number	Title	
Address	City	State	Zip
Name	Social Security Number	Title	
Address	City	State	Zip
Name	Social Security Number	Title	
Address	City	State	Zip
Name	Social Security Number	Title	
Address	City	State	Zip