

## Chapter 19

### TAXATION\*

#### Sec. 19-1. Purpose.

That all portions of Ordinance No. 732, 1037, 1119, 1249, 1250, and 1335 not previously repealed are hereby repealed other than those provisions set forth in the amended sections herein after as of the date this new Ordinance becomes effective.

(Code 1953, 22.0101; Ord. No. 732, 12-6-71; Ord. No. 1338, 9-8-03)

#### Sec. 19-2. Sales Tax Imposed.

- (a) By this Ordinance the City of Madison does hereby impose municipal retail sales and use tax pursuant to the powers granted to the municipality by the State of South Dakota, by SDCL 10-52 entitled Uniform Municipal Non-Ad Valorem Tax Law, and acts amendatory thereto.
- (b) *Effective Date and Enactment of Tax.* From and after the first day of October, 2003, or as early as can be imposed under the provisions of SDCL 10-52-9, there is hereby imposed as a municipal retail occupation sales and service tax upon the privilege of engaging in business a tax measured by two and no/100 percent (2.00%) on the gross receipts of all persons engaged in business within the jurisdiction of the City of Madison, South Dakota, who are subject to the South Dakota Retail Occupational Sales and Service Tax, SDCL 10-45 and acts amendatory thereto.

(Code 1953, 22.0101; Ord. No. 732, 12-6-71; Ord. No. 1338, 9-8-03, Ord. No. 1380, 7-25-05)

#### Sec. 19-3. Collection.

Such tax is levied pursuant to authorization granted by SDCL 10-52 and acts amendatory thereto, and shall be collected by the State Department of Revenue and Regulation in accordance with the same rules and regulations applicable to the State Sales Tax and under such additional rules and regulations as the Secretary of Revenue and Regulation of the State of South Dakota shall lawfully prescribe.

(Code 1953, 22.0103; Ord. No. 732, 12-6-71; Ord. No. 1338, 9-8-03)

#### Sec. 19-4. Exemptions.

- (a) In addition to gross receipts exempted by state law and, therefore, from tax imposed hereunder, there is specifically exempted from the provisions of Section 19-2(b), and from computation of the amount of tax imposed by it, the following:
- (1) Farm machinery and irrigation equipment used exclusively for agricultural purposes.

## (2) REPEALED

**State law references**-Municipal taxation generally. SDCL 1967, Ch. 9-21; state taxation, SDCL 1967, Tit. 10.

## (3) REPEALED

(Ord. No. 1095, 12-4-89; Ord. No. 1119, 8-5-91; Ord. No. 1338, 9-8-03)

(b) In addition to gross receipts exempted by state law and, therefore, from tax imposed hereunder, there is specifically exempted from the provisions of Section 19-2(b) the additional one percent (1%) sales tax, and from computation of the amount of tax imposed by it, the following:

(1) Those exemptions set forth in paragraph 19.4 (a) above;

(2) Parts or repairs on machinery or equipment which are clearly identified as used primarily for agricultural purposes as tax pursuant to SDCL 10-45-3;

(3) Agricultural animal health products and medicines;

## (4) REPEALED

(Ord. No. 1338, 9-8-03)

(c) In addition to gross receipts exempted by state law and other existing municipal exemptions, there is specifically exempted from the provisions of 19-2(b), and from the computation of the amount of tax imposed by it, the following:

(1) The City shall grant to a consumer or user of machinery with a minimum purchase price of Seventeen Thousand Five Hundred Dollars (\$17,500.00) in the nature of a capital asset which is used directly in the manufacturing or processing or fabricating or compounding of personal property which is intended to be sold or leased for final use consumption a refund of the additional one cent tax imposed under Section 19-2(b) of this ordinance.

(2) On or before one (1) year from date of payment the consumer or user shall file with the City Finance Office documentation showing the purchase of such capital asset and payment of the additional one cent paid thereon to the City of Madison. The request for refund shall be placed on the agenda for consideration by the City Commission upon all required information being provided to the City Finance Office.

(Code 1953, 22.0104; Ord. No. 732, 12-6-7 1; Ord. No. 1037, 11-17-86; Ord. No. 1119, 8-5-91; Ord. No. 1329, 04-07-03)

**Sec. 19-5. Use tax.**

In addition there is hereby imposed an excise tax on the privilege of the use, storage and consumption within the jurisdiction of the municipality of tangible personal property or services purchased from and after the first of October, 2003, at the same rate as the municipal sales and service tax upon all transactions or use, storage or consumption which are subject to the South Dakota Use Tax Act, SDCL 10-46, and acts amendatory thereto.  
(Ord. No. 732, 22.0105, 12-6-71; Ord. No. 1338, 9-8-03)

**Sec. 19-6. Interpretation.**

It is declared to be the intention of this ordinance and the taxes levied hereunder that the same shall be interpreted and construed in the same manner as all sections of the South Dakota Retail Occupational Sales and Service Act, SDCL 10-45 and acts amendatory thereto and the South Dakota Use Tax, SDCL 10-46, and acts amendatory thereto, and that this shall be considered a similar tax except for the rate thereof to that tax.  
(Code 1953, 22.0106; Ord. No. 732, 12-6-71; Ord. No. 1338, 9-8-03)

**Sec. 19-7. Penalty.**

Any person failing or refusing to make reports or payment prescribed by this ordinance and the rules and regulations relating to the ascertainment and collection of the tax herein levied shall be guilty of a misdemeanor and upon conviction shall be fined not more than \$500 or imprisoned in the municipal jail for thirty (30) days or both such fine and imprisonment. In addition, all such collection remedies authorized by SDCL 10-45, and acts amendatory thereto, and SDCL 10-46, and acts amendatory thereto are hereby authorized for the collection of these excise taxes by the Department of Revenue.  
(Code 1953, 22.0107; Ord. No. 732, 22.0107, 12-6-71; Ord. No. 1338, 9-8-03; Ord. No. 1421, 2-5-07)

**Sec. 19-8. Repealed.**

(Ord. No. 1338, 9-8-03)

**Sec. 19-9. Separability.**

If any provision of this ordinance is declared unconstitutional or the application thereof to any person or circumstances held invalid the constitutionality of the remainder of the ordinance and applicability thereof to other persons or circumstances shall not be affected thereby.  
(Ord. No. 1338, 9-8-03)

**Section 19-10. Use of Revenue.**

Any revenue received in excess of the amount over one (1) percent shall be deposited in a fund entitled The Capital Improvement Fund and may be used only for the following purposes: capital improvements, debt service, land acquisition, 911 services, economic development or park services.  
(Ord. No. 1416, 11-13-06)

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