ORDINANCE #2026-05

AN ORDINANCE IMPOSING A COUNTY GROSS RECEIPTS TAX AND A USE TAX FOR CLAY COUNTY, SOUTH DAKOTA

BE IT ORDAINED BY CLAY COUNTY, SOUTH DAKOTA.

Section 1. PURPOSE: The purpose of this ordinance is to provide additional needed revenue for Clay County, South Dakota, by imposing county gross receipts tax pursuant to the powers granted to the county by the State of South Dakota by SDCL 10-52B. The purpose of the county gross receipts tax is to provide property tax relief on the county property tax levy for all property classified as owner-occupied. All monies collected by the county from the gross receipts tax must be deposited into a property tax reduction fund, whereby passage of this ordinance shall hereby create.

Section 2. EFFECTIVE DATE AND ENACTMENT OF TAX: From and after the first day of January, 2027, there is hereby imposed as a county gross receipts tax of one-half percent (0.5%) on the gross receipts of all persons engaged in business within the jurisdiction of Clay County, South Dakota, who are subject to the South Dakota Retail Occupational Sales and Service Tax, SDCL 10-45 and acts amendatory thereto.

Section 3. USE TAX: In addition, there is hereby imposed a gross receipts tax on the privilege of use, storage, and consumption within the jurisdiction of the county of items purchased from and after the first of January, 2027, at the same rate as the county gross receipt tax upon all transactions or use, storage, and consumption which are subject to the South Dakota Use Tax, SDCL 10-46, and acts amendatory thereto.

Section 4. COLLECTION: Such tax is levied pursuant to authorization granted by SDCL 10-52B and acts amendatory thereto, and shall be collected by the South Dakota Department of Revenue 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 of the State of South Dakota shall lawfully prescribe.

Section 5. 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 Tax, SDCL 10-45 and acts amendatory thereto and the South Dakota Use Tax, SDCL 10-46 and acts amendatory hereto, and that this shall be considered a similar tax except for the rate thereof to that tax.

Section 6. COUNTY ADMINISTRATIVE FEES: There shall be allocated from the Property Tax Reduction Fund established herein, amounts necessary to implement this ordinance in the amount of two percent (2%) of all monies deposited in the property tax reduction fund during the first year of implementation and $20,000 per year thereafter.

Section 7. PENALTY: Any person failing or refusing to make reports or payments prescribed by this ordinance and the rules and regulations relating to the ascertainment and collection of the tax herein levied shall be subject to all such collection remedies authorized by SDCL 10-45, and acts amendatory thereto, and SDCL 10-46, and acts amendatory thereto.

Section 8. SEVERABILITY: 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.

Dated this 25 day of August, 2026.

Chairman, Clay County Board of Commissioners

ATTEST:

Auditor

(SEAL)

First Reading: August 18, 2026
Second Reading and Adoption: August 25, 2026
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