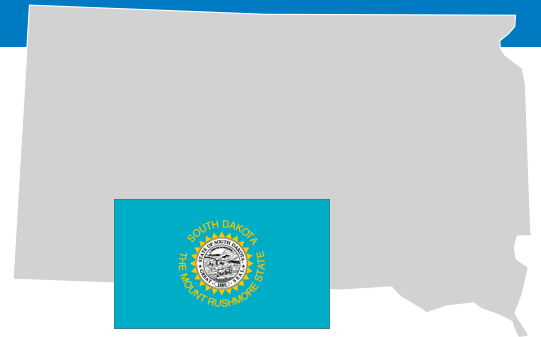


# Tax Facts & Comparisons

## South Dakota

Taxes are complicated. Each state's tax code is a multifaceted system with many moving parts, and South Dakota is no exception. The Tax Foundation produces a number of rankings that evaluate states on tax structures and overall tax burdens. Here's how South Dakota scores.



### Tax Foundation Rankings of South Dakota

#### State Business Tax Climate Index

**2<sup>nd</sup>**  
best

South Dakota ranks 2nd out of the 50 states on the Tax Foundation's 2014 *State Business Tax Climate Index*, which annually compares the states' tax systems on over 100 variables that impact business. Last year, South Dakota ranked 2nd.

South Dakota's individual income tax ranks 1st best, its corporate income tax ranks 1st best, its sales tax ranks 35th best, its property tax ranks 18th best, and its unemployment insurance tax ranks 41st best.

Neighboring states' ranks: North Dakota (25th), Minnesota (47th), Iowa (41st), Nebraska (29th) Wyoming (1st) Montana (6th)

#### State-Local Tax Burdens Rank

**48<sup>th</sup>**  
highest

Estimated at 7.1% of income, South Dakota's 2011 state-local tax burden ranks 48th highest nationally, below the national average of 9.8%. South Dakota taxpayers pay \$3,052 per capita in state and local taxes.

Neighboring states' ranks: North Dakota (36th), Minnesota (6th), Iowa (29th), Nebraska (25th) Wyoming (50th) Montana (38th)

#### Tax Freedom Day®

**2015**  
**April**  
**8**

In 2014, South Dakota taxpayers worked 98 days into the year until April 8 to pay their total tax bill, ranking 3rd highest nationally.

That's 16 days before national Tax Freedom Day (April 21), the day when Americans finally have earned enough money to pay their total tax bill for the year.

More at [taxfoundation.org/publications](http://taxfoundation.org/publications)

# South Dakota Taxes at a Glance

Each state uses a variety of tax tools to raise revenue, including individual income taxes, property taxes, and sales taxes, among others. Here are some facts on how South Dakota structures their different tax types:

Note: All collections listed on this page are combined state and local tax collections as reported by the Census Bureau's Government Finance Division. For all ranks, 1 indicates highest among the 50 states.

General Info		Rank	Nat. Avg.
Income per capita	\$43,212	18th	\$43,735
Federal aid as % of gen. revenue	39%	4th	32.8%
State debt per capita	\$7,066	34th	\$3,678

Individual Income Tax	
Number of brackets	0
Bottom income bracket rate	0.00%
Bottom bracket kick in	N/A
Top income tax rate	0.00%
Top bracket kick in	N/A
Collections per capita (2012)	\$0
Collections rank (2012)	N/A

Property Tax	
Collections per capita (2012)	\$1,216
Collections rank (2012)	28th
Property taxes paid as share of owner-occupied housing value (2013)	1.32%
Property taxes paid percent rank (2013)	16th

## Sources of State & Local Tax Collections

	South Dakota	All States.
Property Tax	35%	32%
Sales Tax	40%	23%
Corporate Income Tax	2%	4%
Individual Income Tax	0%	22%
Other	24%	20%

Corporate Income Tax	
Number of brackets	0
Top corporate tax rate	0.00%
Collections per capita (2012)	\$72
Collections rank (2012)	40th

Sales Tax	
State rate	4.00%
State + average local rate	5.83%
State + average local rank	40th
Collections per capita (2011)	\$1,382
Collections rank (2011)	7th

Excise Taxes	Rate	Rank
Gasoline taxes and fees	22.0¢ per gallon	35th
Cigarette taxes	\$1.53 per pack	23rd
Spirits taxes	\$4.63 per gallon	31st
Beer taxes	\$0.27 per gallon	22nd
Cell phone taxes	13.02%	10th

Other Taxes	Rate	Exemption
Gross receipts tax	None	N/A
Capital stock tax	None	N/A
Inheritance tax	None	N/A
Estate tax	None	N/A

## About the Tax Foundation



The Tax Foundation is the nation's leading independent tax policy research organization. Since 1937, our principled research, insightful analysis, and engaged experts have informed smarter tax policy at the federal, state, and local levels. Our Center for

State Tax Policy is routinely relied upon for presentations, testimony, and media appearances on state tax and fiscal policy, and our website is a comprehensive resource for information on tax and spending policy in each U.S. state.

More at [taxfoundation.org](http://taxfoundation.org)