

TITLE 10 - TAXATION

[UNIFORM MUNICIPAL NON-AD VALOREM TAX LAW SDCL 10-52]

[USE TAX SDCL 10-46]

Chapter 10.01 - Municipal Sales and Service Tax and Use Tax

Chapter 10.02 - Reduced Valuation for Tax Purposes

Chapter 10.03 - Gross Receipts Tax

CHAPTER 10.01 - MUNICIPAL SALES AND SERVICE TAX AND USE TAX

- 10.0101 Purpose. The purpose of this Chapter is to provide additional needed revenue for the City of Lennox, Lincoln County, South Dakota, by imposing a 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.
- 10.0102 Effective Date and Enactment of Tax. From and after the first day of January, 2004, there is hereby imposed as a municipal retail occupational sales and service tax upon the privilege of engaging in business a tax measured by two percent (2%) on the gross receipts of all persons engaged in business within the jurisdiction of the City of Lennox, Lincoln County, South Dakota, who are subject to the South Dakota Retail Occupational Sales and Service Tax, SDCL 10-45 and acts amendatory thereto.
- 10.0103 Use Tax. In addition there is hereby imposed an excise tax on the privilege of use, storage and consumption within the jurisdiction of the City of tangible personal property or services purchased from and after the first of January, 2004, at the same rate as the municipal sales and service tax upon all transactions or use, storage and consumption which are subject to the South Dakota Use Tax Act, SDCL 10-46, and acts amendatory thereto.
- 10.0104 Collection. Such tax is levied pursuant to authorization granted by SDCL 10-52 and acts amendatory thereto, and shall be collected by the South Dakota 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.
- 10.0105 Interpretation. It is declared to be the intention of this Chapter 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 hereto, and that this shall be considered a similar tax except for the rate thereof to that tax.
- 10.0106 Use of Revenue. One-half (1/2) of the amount of tax received by the City shall be placed in a fund designed as the Lennox Sales and Use Tax Capital Improvements Fund pursuant to SDCL 9-22. Such revenues may be used only for capital improvement, land acquisition, funding of public ambulances and medical emergency response vehicles, public hospitals or nonprofit hospitals with fifty or fewer licensed beds, other public health care facilities with fifty or fewer licensed beds, the transfer to the special 911 fund authorized by 34-45-12, the purchasing of fire fighting vehicles and equipment, debt retirement, and the minor or major

rehabilitation, or reconstruction of streets as defined in the June, 1994, South Dakota Department of Transportation Pavement Condition Survey Guide for City Streets. These expenditures may be financed through a sale-leaseback agreement.

- 10.0107 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 guilty of a Class 2 misdemeanor. 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 and Regulation.
- 10.0108 Separability. If any provision of this Chapter 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.

CHAPTER 10.02 - REDUCED VALUATION FOR TAX PURPOSES

- 10.0201 Structures to Apply. Within the corporate limits of the City, or within three (3) miles of the corporate limits of the City, all new industrial, commercial, and non-residential agricultural structures, or additions to existing structures, which new structures or additions have a true and full value of Thirty Thousand Dollars (\$30,000.00) or more, added to real property are specifically classified for the purpose of taxation.
- 10.0202 Classification of Property. All real property qualifying under this section, as determined by the Lincoln County Assessor, shall be classified in the manner prescribed in this chapter.
- 10.0203 Taxable Value Formula. Such structures or additions shall, following construction, be valued for taxation purposes in the usual manner as provided by law, except the following formula for taxable value shall be used for tax purposes: (SDCL 13-13-20.4)
- A. The first year following construction, twenty percent (20%) of the taxable value shall be used for tax purposes on such property.
 - B. The second year following construction, forty percent (40%) of the taxable value shall be used for tax purposes on such property.
 - C. The third year following construction, sixty percent (60%) of the taxable value shall be used for tax purposes on such property.
 - D. The fourth year following construction, eighty percent (80%) of the taxable value shall be used for tax purposes on such property.
 - E. The fifth year following construction, and each year thereafter, one hundred percent (100%) of the taxable value shall be used for tax purposes on such property.

CHAPTER 10.03 – GROSS RECEIPTS TAX

- 10.0301 Purpose. The purpose of this Chapter is to provide additional needed revenue for the Municipality of Lennox, Lincoln County, South Dakota, by imposing a municipal gross receipts tax pursuant to the powers granted to the municipality by the State of South Dakota, by SDCL 10-52A, and acts amendatory thereto.
- 10.0302 Effective Date and Enactment of Tax. From and after the first day of July, 2014, there is hereby imposed a municipal gross receipts tax of One Percent (1%) upon the gross receipts from the sale of leases or rentals of hotel, motel, campsites or other lodging accommodations within the municipality for periods of less than twenty-eight (28) consecutive days, the sale of alcoholic beverages as defined in SDCL 35-1-1, establishments where the public is invited to eat, dine or purchase and carry out prepared food for immediate consumption, and ticket sales or admissions to places of amusement, athletic and cultural events. The tax applies to the gross receipts of all persons engaged in business within the jurisdiction of the Municipality of Lennox, Lincoln County, South Dakota, who are subject to the South Dakota Retail Occupational Sales and Service Tax, SDCL 10-45 and acts amendatory thereto.
- 10.0303 Collection. Such tax is levied pursuant to authorization granted by SDCL 10-52A and acts amendatory thereto, and shall be collected by the South Dakota 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 of the State of South Dakota shall lawfully prescribe.
- 10.0304 Interpretation. It is declared to be the intention of this Chapter 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 that this shall be considered a similar tax except for the rate thereof to that tax.
- 10.0305 Use of Revenue. Any revenues received under this Chapter may be used only for the purpose of land acquisition, architectural fees, construction costs, payment for civic center, auditoriums or athletic facility buildings, including the maintenance, staffing and operations of such facilities, and the promotion and advertising of the municipality, its facilities, attractions and activities.

(Amended: Ordinance No. 541, 01-13-14)