

Hilco Industrial, LLC
South Dakota Sales Tax Rules Summary
Premium Composites
401 S. Main St.
Veblen, SD 57270

Asset Type: Cincinnati Milacron Extrusion Lines with Downstream Equipment, Unused AST Drying System, Material Delivery Systems, Die Inventory, Forklifts and Plant Utilities

Tax Rate - 6%

Auctions:

All **auction** sales and consignment sales of tangible personal property are sales at retail, and the auctioneer is a retailer who must collect and remit the tax on all such sales. [[S.D. Codified Laws §10-45-92.1](#); [S.D. Codified Laws §10-46-66](#).]

A sale that is made directly by or is supervised or aided by an auctioneer or by an agent or employee of an auctioneer is not a casual or occasional sale [[S.D. Admin. R. §64:06:02:06.03](#)].

Manufacturing Machinery and Equipment are taxable:

Sales of machinery, tools, bolts, and other equipment to manufacturers, producers, and contractors are taxable. (Rule 64:06:03:23, ARSD)

Manufacturing Machinery and Equipment in international commerce are exempt:

The gross receipts from the sale of industrial production equipment in international commerce are exempt from South Dakota sales tax if, under the terms of the sales agreement, physical delivery of the goods takes place in South Dakota. (Sec. 10-45-93, SDCL) However, the exemption only applies if written evidence of the contract of sale is retained, and the contract indicates that the goods are to be shipped in international commerce to a point outside the United States and are not to be returned to a point within the United States.

Resale Exemption:

Sales of otherwise taxable items that are made for resale are not retail sales subject to tax. [S.D. Codified Laws §10-45-1(10) .] The burden of proving that sales are exempt is on the seller. The seller must obtain an exemption certificate showing the buyer's retail sales tax license number. [S.D. Codified Laws §10-45-61.] The exemption certificate is valid only if accepted in good faith.

The exemption certificate must be signed by the purchaser. The exemption certificate shall provide the purchaser's name, address, and valid state tax license number. The purchaser claiming the protection of an exemption certificate is responsible for assuring that the goods and services delivered thereafter are of a type covered by the exemption certificate.

Out-of-state resellers will put their state's retail sales tax license number on the appropriate line on the certificate.

**Any purchaser who knowingly files an exemption certificate with a retailer in order to purchase tangible personal property, any product transferred electronically, or services with the intent to evade payment of the tax, and fails to timely report the same with the department is guilty of a Class 1 misdemeanor.

Exemption certificate form may be obtained at:

http://dor.sd.gov/Taxes/Business_Taxes/Publications/PDFs/exemption_certificate0713.pdf

The Multistate Tax Commission Uniform sales tax exemption certificate is also accepted:

http://www.mtc.gov/uploadedFiles/Multistate_Tax_Commission/Resources/Forms/Uniform%20Sales%20and%20Use%20Certificate-1_2009.pdf