

From: Jane.Page@state.sd.us [mailto:Jane.Page@state.sd.us]
Sent: Thursday, September 02, 2010 2:53 PM
To: Scott Peterson
Cc: Jody.Bartels@state.sd.us; Bruce.Christensen@state.sd.us; Jan.Talley@state.sd.us
Subject: Public Comments on South Dakota 2010 Re-certification

Mr. Scott Peterson
Executive Director
Streamlined Sales Tax Governing Board
4205 Hillsboro Pike
Hobbs Building Ste 305
Nashville, TN 37215-3339

RE: Public Comments on the 2010 South Dakota Recertification of the SSUTA

Mr. Peterson:

South Dakota mistakenly omitted rule 64:06:01:03.02 from the Streamlined certificate of compliance. That rule, shown below, addresses the 2010 re-certification issue.

64:06:01:03.02. Collection of a previously deducted bad debt or bad check. If a previously deducted bad debt is collected or a check that was returned because of nonsufficient funds (NSF) or no account and not included as part of gross receipts is collected, the tax on the amount collected must be paid and reported on the return filed for the period in which the collection is made. For the purposes of reporting a payment received on a previously claimed bad debt, any payments made on such debt or account are applied first proportionally to the taxable price of the property or service and the sales tax thereon, and secondly to interest, service charges, and any other charges. No deductions for collection expenses are permitted. If a bad debt is sold to a collection agency, only the amount received may be included on the next sales tax return.

[Re-certification Issue:](#)

South Dakota

There is no provision to require amounts collected that previously were reported as bad debt be allocated proportionately first to taxable price and sale tax thereon and then to other charges.

Thank you.

Jane A. Page

**Assistant Director
Business Tax Division
SD Department of Revenue & Regulation
605-773-3311
jane.page@state.sd.us**

[Taxpayer Assistance 1-800-829-9188](#)