

INITIATED CONSTITUTIONAL AMENDMENT PETITION

WE, THE UNDERSIGNED qualified voters of the state of South Dakota, petition that the section or sections and article or articles of the South Dakota Constitution which accompanies this petition be either repealed or amended and that this proposal be submitted to the voters of the state of South Dakota at the general election on November 3, 2026 for their approval or rejection.

**Title:** An Amendment to the South Dakota Constitution to repeal real property taxes and replace them with a “retail transaction” tax.

**Attorney General Explanation:** Currently, all real property—like land, homes, rental properties, and commercial buildings—is taxed according to a formula set by state law that accounts for the value of the property and its use. Those taxes are collected by the county treasurers and distributed to the counties, cities and towns, school districts, and other political districts—like road or drainage districts—in the county. Those tax funds make up the majority of the yearly budgets for those entities.

This Amendment seeks to repeal this property tax scheme and replace it with a tax “on each retail transaction.” For each “retail transaction” of \$15 or more, a flat tax of \$1.50 is assessed. For each “retail transaction” less than \$15, a 10% tax is assessed. The amount of a “retail transaction” is based on the “final purchase price” of the transaction. This Amendment does not replace or impact the assessment or collection of sales and use taxes or excise taxes.

This Amendment requires the Legislature to create a designated fund for collecting and depositing these retail taxes. The Legislature must also create systems to collect and submit assessed taxes and distribute the tax moneys.

This Amendment will need legislative or judicial clarification.

**Fiscal Note:** For taxes payable in 2027, political subdivisions (schools, cities, counties) will likely see a total reduction of (\$2.018) billion in property tax revenues. The retail transaction tax will likely generate \$1.167 billion in revenue annually. This change creates an estimated net loss of (\$850.3) million in funding for political subdivisions.

INSTRUCTIONS TO SIGNERS:

- 1. Signers of this petition must individually sign their names in the form in which they are registered to vote or as they usually sign their names.
- 2. Before the petition is filed, each signer or the circulator must add the voter registration address of the signer and the date of signing. If the signer is a resident of a second or third class municipality, a post office box may be used for the voter registration address.
- 3. Before the petition is filed, each signer or the circulator must print the name of the signer in the space provided and add the county of voter registration.
- 4. Abbreviations of common usage may be used. Ditto marks may not be used.
- 5. Failure to provide all information requested may invalidate the signature.

| NAME                | VOTER REGISTRATION ADDRESS                                          | DATE/COUNTY                                   |
|---------------------|---------------------------------------------------------------------|-----------------------------------------------|
| SIGN<br>1<br>PRINT  | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br><br>CITY OR TOWN | DATE OF SIGNING<br><br>COUNTY OF REGISTRATION |
| SIGN<br>2<br>PRINT  | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br><br>CITY OR TOWN | DATE OF SIGNING<br><br>COUNTY OF REGISTRATION |
| SIGN<br>3<br>PRINT  | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br><br>CITY OR TOWN | DATE OF SIGNING<br><br>COUNTY OF REGISTRATION |
| SIGN<br>4<br>PRINT  | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br><br>CITY OR TOWN | DATE OF SIGNING<br><br>COUNTY OF REGISTRATION |
| SIGN<br>5<br>PRINT  | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br><br>CITY OR TOWN | DATE OF SIGNING<br><br>COUNTY OF REGISTRATION |
| SIGN<br>6<br>PRINT  | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br><br>CITY OR TOWN | DATE OF SIGNING<br><br>COUNTY OF REGISTRATION |
| SIGN<br>7<br>PRINT  | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br><br>CITY OR TOWN | DATE OF SIGNING<br><br>COUNTY OF REGISTRATION |
| SIGN<br>8<br>PRINT  | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br><br>CITY OR TOWN | DATE OF SIGNING<br><br>COUNTY OF REGISTRATION |
| SIGN<br>9<br>PRINT  | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br><br>CITY OR TOWN | DATE OF SIGNING<br><br>COUNTY OF REGISTRATION |
| SIGN<br>10<br>PRINT | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br><br>CITY OR TOWN | DATE OF SIGNING<br><br>COUNTY OF REGISTRATION |

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|---------------------------|--------------------------------------------------------------------------|----------------------------------------------------|
| SIGN<br>11 _____<br>PRINT | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br>_____<br>CITY OR TOWN | DATE OF SIGNING<br>_____<br>COUNTY OF REGISTRATION |
| SIGN<br>12 _____<br>PRINT | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br>_____<br>CITY OR TOWN | DATE OF SIGNING<br>_____<br>COUNTY OF REGISTRATION |
| SIGN<br>13 _____<br>PRINT | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br>_____<br>CITY OR TOWN | DATE OF SIGNING<br>_____<br>COUNTY OF REGISTRATION |
| SIGN<br>14 _____<br>PRINT | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br>_____<br>CITY OR TOWN | DATE OF SIGNING<br>_____<br>COUNTY OF REGISTRATION |
| SIGN<br>15 _____<br>PRINT | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br>_____<br>CITY OR TOWN | DATE OF SIGNING<br>_____<br>COUNTY OF REGISTRATION |
| SIGN<br>16 _____<br>PRINT | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br>_____<br>CITY OR TOWN | DATE OF SIGNING<br>_____<br>COUNTY OF REGISTRATION |
| SIGN<br>17 _____<br>PRINT | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br>_____<br>CITY OR TOWN | DATE OF SIGNING<br>_____<br>COUNTY OF REGISTRATION |
| SIGN<br>18 _____<br>PRINT | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br>_____<br>CITY OR TOWN | DATE OF SIGNING<br>_____<br>COUNTY OF REGISTRATION |
| SIGN<br>19 _____<br>PRINT | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br>_____<br>CITY OR TOWN | DATE OF SIGNING<br>_____<br>COUNTY OF REGISTRATION |
| SIGN<br>20 _____<br>PRINT | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br>_____<br>CITY OR TOWN | DATE OF SIGNING<br>_____<br>COUNTY OF REGISTRATION |
| SIGN<br>21 _____<br>PRINT | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br>_____<br>CITY OR TOWN | DATE OF SIGNING<br>_____<br>COUNTY OF REGISTRATION |
| SIGN<br>22 _____<br>PRINT | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br>_____<br>CITY OR TOWN | DATE OF SIGNING<br>_____<br>COUNTY OF REGISTRATION |
| SIGN<br>23 _____<br>PRINT | STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER<br>_____<br>CITY OR TOWN | DATE OF SIGNING<br>_____<br>COUNTY OF REGISTRATION |

VERIFICATION BY PERSON CIRCULATING PETITION INSTRUCTIONS TO CIRCULATOR:  
This section **must** be completed following circulation and before filing.

|                              |                   |      |       |
|------------------------------|-------------------|------|-------|
| Print name of the circulator | Residence Address | City | State |
|------------------------------|-------------------|------|-------|

I, under oath, state that I circulated the above petition, that each signer personally signed this petition in my presence, that I am not attesting to any signature obtained by any other person, that I am a resident of South Dakota, that I made reasonable inquiry and to the best of my knowledge each person signing the petition is a qualified voter in the county indicated on the signature line, that no state statute regarding petition circulation was knowingly violated, and that either the signer or I added the printed name, the voter registration address of the signer, the date of signing, and the county of voter registration.

|                                                               |                                         |
|---------------------------------------------------------------|-----------------------------------------|
| Circulator ID Number (paid circulator only)                   | Signature of Circulator                 |
| Sworn to before me this _____ day of _____, 20____.<br>(Seal) | Signature of Officer Administering Oath |
| My Commission Expires _____                                   | Title of Officer Administering Oath     |