ECONOMIC INDICATORS

PER CAPITA PERSONAL INCOME
• 2012: $43,659
• Percent of National Average: 102.0 percent
• Percent Change from 2010: -1.3 percent
• 2001-2011 Compound Annual Growth Rate: 4.5 percent

CURRENT DOLLAR GDP
• 2011: $40.1 billion
• U.S. Rank: 47

REAL GDP
• 2011 Growth Rate: 0.8 percent
• 2001-2011 Compound Annual Growth Rate: 2.2 percent

LARGEST INDUSTRY CONTRIBUTORS TO GDP IN 2011
Finance and insurance (15.5 percent); government (12.7 percent)

LARGEST INDUSTRY CONTRIBUTORS TO GDP GROWTH, 2010-11
Durable goods manufacturing (0.55 percentage points); real estate and rental and leasing (0.23 percentage points)

KEY TAX RATES

STATE INDIVIDUAL INCOME TAXES
• No state individual income tax

CORPORATE INCOME TAX RATES
• No state corporate income tax

EXCISE TAX RATES
• General Sales and Gross Receipts Tax: 4 percent
• Cigarettes: $1.53 per pack
• Distilled spirits: $3.93 per gallon plus an additional 93 cents per gallon if under 14 percent alcohol
• Motor Fuel Tax Rates (cents per gallon)*
  » Gasoline: 24.0
  » Diesel: 24.0
  » Gasohol: 24.0

*Additional inspection fee. Rate expressed here does not include local option taxes of 1 cent per gallon.

PROGRAM INFORMATION

Governor’s Office of Economic Development
http://www.sdreadytowork.com/
**COMMON BUSINESS INCENTIVE PROGRAMS**

- **Reinvestment Payment Program** — The only tax incentive program for new and expanding businesses administered by the state, this program may provide reinvestment payments to assist companies in offsetting the upfront costs associated with relocating or expanding operations and/or upgrading equipment in South Dakota. The program allows for project owners to receive a reinvestment payment, not to exceed the South Dakota sales and use tax paid on project costs, for new or expanded facilities with project costs in excess of $20 million or for equipment upgrades with project costs in excess of $2 million.

- **Revolving Economic Development and Initiative Fund** — This low-interest loan fund available to startup firms and businesses that are expanding or relocating provides permanent financing for the purchase of land and associated site improvements, construction, acquisition, renovations of buildings and equipment. The loan amount is based on estimated job creation and total project costs, with wage and benefit requirements.

- **Economic Development Finance Authority** — The authority provides financing through a Pooled Bond Program, which is designed for more capital-intensive projects and provides small businesses access to the public bond market through the issuance of tax-exempt bonds.

- **South Dakota Works** — This program offers business/commercial loans to businesses needing working capital. Eligible uses of these loans include startup costs, working capital, payroll and construction needs on new buildings.

- **APEX Loan Program** — Designed to assist companies in communities with a population of 25,000 or less, this program provides a loan of up to $237,500 to for-profit businesses and some nonprofit businesses to purchase land or equipment, or to buy or renovate a building.

- **South Dakota Microloan** — This financing program offers businesses access to working capital. Local banks must fund at least 50 percent of the project costs, while the state may fund up to 50 percent — or $100,000 — of the project costs.

- **Workforce Development Training Grant** — Through matching grants, this program funds industry/education partnerships. The program supports both new and current employee training.

- **New South Dakotans Initiative** — This initiative provides half the cost of employee recruitment for certain high-need, high-impact industries in South Dakota.

- **Dakota Seeds** — This program provides matching grants for wages paid to interns and assistantships, which cover up to one-half of the wages for new positions with graduating maximums for undergraduate, master’s degree and doctoral students.

**OVERSIGHT AND ACCOUNTABILITY MEASURES**

State regulations require each department administering funds from the Building South Dakota Fund to report annually to the Government Operations and Audit Committee about the operations and results of the Building South Dakota Fund. Additionally, financing packages and financial or tax incentive provided to companies in South Dakota are public records and made readily available online.

**RECENT LEGISLATIVE HIGHLIGHTS**

South Dakota Republican and Democrat leadership worked together during the 2013 legislative session to formulate a comprehensive economic development package with built-in safeguards to ensure fiscal responsibility, transparency and accountability. The multi-faceted approach set forth in Senate Bill 235 focuses on education, housing, infrastructure, local economic development efforts, and large and small project needs.

One component of the legislation provides for the Board of Economic Development to approve discretionary reinvestment payments, up to the amount of sales and use tax paid on project costs, for new or expanded facilities with a total project cost in excess of $20 million, and for equipment upgrades with a total project cost in excess of $2 million. The legislation also created the Building South Dakota Fund, which is funded by unclaimed property receipts, in addition to the contractor’s excise tax collected by the Department of Revenue on projects in excess of $20 million that are approved to receive a reinvestment payment. The fund allocates money for the Workforce Education Fund, the Local Infrastructure Improvement Grant Fund, the Economic Development Partnership Fund, and the Revolving Economic Development and Initiative Fund.