Tourism Tax

https://dor.sd.gov/ 1-800-829-9188

The purpose of this tax fact is designed to explain how tourism tax applies. It is not intended to answer all questions that may arise. The information contained in this fact sheet is current as of the date of publication.

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Tourism Tax

The tourism or seasonal tax is an additional tax on certain lodging and amusement services that is imposed for tourism promotion. Tourism tax applies to the gross receipts of:

- Hotels and Lodging Establishments
- Campgrounds
- Motor Vehicle Rentals
- Recreational Equipment Rentals
- Recreational Services
- Spectator Events
- Visitor Attractions
- Visitor-Intensive Businesses

South Dakota Taxes and Rates	
Tourism Tax – Applies to certain lodging and amusement services and the rental of certain motor vehicles. Tourism tax does not apply when remitting use tax.	**1.5%**
State Sales Tax and Use Tax – Applies to all sales or purchases of taxable products and services.	**4.2%**
Motor Vehicle Gross Receipts Tax – Applies to the rental of motorcycles, cars, trucks, and vans for less than 28 days, and the rental of certain trailers for 6 months or less.	**4.2%**

The tourism tax on lodging establishments, campgrounds, motor vehicle rentals, recreational equipment rentals, recreational services, spectator events and visitor attractions applies year-round. The tourism tax on visitor-intensive businesses applies during the months of June, July, August, and September.

If a business or transaction is exempt from the state sales tax, it is also exempt from the tourism tax. For example, admissions to fairs are exempt from the state sales tax, so they are also exempt from the tourism tax. However, admissions to rodeos, concessions, and rides at a fair are subject to sales tax, and therefore, the tourism tax.

The tourism tax is reported on the sales tax return with a separate code in the same manner municipal taxes are reported. The code for tourism is 700-1, with the exception of tourism tax within the following special taxing jurisdictions:

Cheyenne River	408-5
Crow Creek	417-5
Oglala	411-5
Rosebud	412-5
Standing Rock	413-5

For additional instructions on reporting tax obligations within any of the special taxing jurisdictions please refer to the Tribal Tax Fact.

Hotels, Lodging Establishments and Campgrounds

The gross receipts from the rental of sleeping accommodations or camping sites to transient guests are subject to the tourism tax. A transient guest is any person who resides in a lodging establishment fewer than 28 consecutive days. Only the lodging or camping sites are subject to the tourism tax unless their other operations (gift shop) meet any of the other tourism tax requirements. The rental of sleeping accommodations or camping sites for 10 days or less in a calendar year is considered occasional and not taxable.

Hotels and Lodging Establishments

Any building, structure, or premise kept, used, advertised, maintained, or held out to the public to be a place where sleeping accommodations are furnished to transient guests are subject to the tourism tax.

Hotel and Lodging Establishment Examples:

- Bed and Breakfast
- Boarding House
- Bungalows
- Cabins
- Condominiums
- Cottages
- Villas
- Dude Ranches
- Guest Houses
- Guest Ranches
- Hostels
- Hotels
- Inns
- Lodges
- Motels
- Resorts
- Tourist Homes
- Timeshare Rentals
- Vacation Home Rentals

Campgrounds

Any property or premise kept, used, maintained, advertised, or held out to the public to be a place where sites are available for the placing of tents, campers, trailers, mobile homes, or other mobile accommodations to transient guests are subject to the tourism tax.

Campground Examples:

- Campgrounds
- Camping Cabins
- Camping Resorts
- Commercial Picnic Grounds
- Organizational Camps
- Park Units
- Recreational Vehicle Parks
- Trailer Parks
- Youth Camps

Motor Vehicle Rental

Motor vehicles that are automobiles, pickups and vans licensed under the noncommercial license fee schedule SDCL 32-5-6 with a manufacturers shipping weight, including accessories, of 10,000 pounds or less; rented in the state for 28 days or less are subject to the state sales tax, the state motor vehicle gross receipts tax, the state tourism tax, plus applicable municipal tax. This tax is based on the amount of the rental payments.

Visitor Attractions

The gross receipts from admissions to any business establishment that offers recreation, entertainment, or interpretation of natural or cultural history are subject to the tourism tax. In addition, the sale of any products, services, parking, or transportation on the site of the visitor attraction is subject to the tourism tax. Tourism tax does not apply to the purchase of products or services used by the visitor attraction.

Visitor Attractions (cont.)

Visitor Attraction Examples:

- Aerial Tramways
- Amusement Parks
- Animal Exhibits
- Animal Shows
- Antique Exhibits
- Antique Car Exhibits
- Arboreta
- Aquariums
- Batting Cages
- Botanical Gardens
- Bumper Boats
- Bumper Cars
- Bungee Jumps
- Carnival Rides
- Chuckwagon Suppers
- Commercial Playgrounds
- Go-Cart Raceways
- Gold Mines
- Golf Driving Ranges
- Historic Sites
- Human Mazes
- Hunting Preserves
- Miniature Golf Courses
- Museums
- Music Shows
- Observation Towers
- Pitch n Putt Golf
- Playhouses
- Racetracks
- Recreational Gold Mining
- Reptile Exhibits
- Restorations
- Scenic Railroads
- Shooting Preserves
- Show Caves
- Ski Areas
- Spectator Events
- Water Slides
- Wave Pools
- Wax Figure Exhibits
- Zoological Gardens

Recreational Service

The gross receipts from any business establishment that provides leisure or recreational activities are subject to tourism tax.

Recreational Services Examples:

- Amusement Rides
- Bath Houses
- Carriage Rides
- Climbing Guides
- Day Camps
- Fishing Guides
- Fishing Ponds
- Golf Driving Ranges
- Hunting Guides
- Outfitters
- Pack Trains
- Private Beaches
- River Rafting
- Saddle Horse Rides
- Sight-seeing Guides
- Sight-seeing Tours
- Shooting Galleries
- Shooting Ranges[1]
- Skeet Ranges
- Ski Instruction
- Ski Lift Tickets
- Ski Trails
- Spas
- Trail Rides
- Trap Ranges
- Tour Bus Excursions
- Youth Camps

[1] Nonprofit shooting ranges are exempt from tourism tax.

Recreational Equipment Rental

All items rented for 28 days or fewer whose primary purpose is recreational use are subject to the tourism tax.

Recreational Equipment includes:

- All-terrain Vehicles
- Beach Chairs
- Bicycles
- Bumper Boats
- Bumper Cars
- Campers
- Firearms
- Fishing Equipment
- Flotation Devices
- Go-Carts
- Golf Clubs
- Hunting Dogs
- Hunting Equipment
- Mopeds
- Motor Coaches
- Motorcycles
- Pack Animals
- Recreational Courts/ Equipment
- Recreational Gold Mining Equipment
- Recreational Vehicles
- Recreational Water Equipment
- Rock Climbing Gear
- Rollerblades
- Saddle Horses
- Skis
- Snowboards
- Snowmobiles
- Snowmobile Trailers
- Snowshoes
- Watercraft

Spectator Event

The gross receipts from admissions to any organized activity meant for entertainment or education and open to the public are subject to the tourism tax. The sale of any products, services, parking, or transportation on the site of the spectator event is subject to the tourism tax. Tourism tax does not apply to the purchase of products or services used to put on the event.

Spectator Events are:

- Air Shows
- Auto Races
- Auto Shows
- Balloon Shows
- Boat Races
- Car Rallies
- Carnivals
- Circuses
- Concerts
- Dance Festivals
- Draft Horse Contests
- Ethnic Festivals
- Exhibitions
- Expositions
- Fairs**
- Greyhound Races
- Horse Races
- Horse Shows
- Monster Truck Shows
- Motorcycle Expositions
- Motorcycle Races
- Music Festivals
- Rodeos
- Sporting Events
- Stage Performances
- Threshing Bees
- Tractor Pull Contests
- Water-skiing Shows

**The sale of tickets or admissions to the grounds and grandstand attractions, except rodeos and rodeo-related events, of state, county, district, regional, or local fairs are not subject to sales tax or tourism tax. Taxable transactions at fairs are subject to sales tax and tourism tax.

Visitor-Intensive Business

Visitor-intensive businesses are any of the following businesses that derive 50% or more of their total annual receipts during the months of June, July, August, and September. The tourism tax on a visitor-intensive business' receipts applies during the months of June, July, August, and September.

Visitor-Intensive Businesses include:

- Antique Shop
- Bookstore (excludes post-secondary, college, and university bookstores)
- Candy Store
- Flea Market
- Gift Shop
- Indigenous Arts/Crafts Shop
- Jewelry
- Lapidary Shop
- Leather Goods Shop
- Marina
- Novelty Shop
- Pottery Shop
- Rock Shop
- Souvenir Shop
- Tee-Shirt Shop

Questions and Answers

1. I make wooden toys that I sell at craft shows. Will I have to charge the tourism tax?

   A: Craft shows are expositions subject to the tourism tax as a spectator event. Your gross receipts are subject to the tourism tax at craft shows. If you also operate a store to sell your crafts, the sales at your store would be subject to the tax during June, July, August, and September if 50% or more of the total annual gross receipts from your craft business occurs during those four months.

2. I operate a motel and a campground with a restaurant and gift shop. How does the tourism tax apply?

   A: The tax applies to the receipts for lodging and camping, and may apply to your gift shop. Your gift shop is subject to tourism tax during June, July, August and September if 50% or more of the gift shop's annual gross receipts occur during those months and the gift shop is distinct or physically separate from the other business. Receipts from the restaurant are not subject to the tourism tax.

3. I run an amusement park with a snack shop. How will the tourism tax apply to my business?

   A: The amusement park is a visitor attraction. All gross receipts at visitor attractions, including admissions, gifts, parking, and snack shops are subject to tourism tax.

4. As a hunting and fishing guide, are my services subject to the tourism tax?

   A: Yes. Gross receipts from commercial hunting and fishing operations, including guiding and any hunting or shooting preserve, are subject to the tourism tax.

5. If I rent a passenger car for two weeks, will the rental fee be subject to the tourism tax?

   A: Yes. All passenger car rentals of 28 days or less are subject to tourism tax. The tax on rental cars is state sales tax + motor vehicle gross receipts tax + tourism tax + any applicable municipal sales tax.

6. Each summer I run a basketball camp at a state university. The tourism tax applies to youth camps. Is my basketball camp a youth camp?

   A: Yes, basketball, baseball, wrestling, and other youth-oriented camps are recreational services and are subject to the tourism tax. The gross receipts you receive from providing that service are taxable.

Questions and Answers (cont.)

7. I operate a fitness center with recreational courts. How does the tax affect my business?

   A: The rental of recreational courts and equipment are subject to the tourism tax year-round. The tourism tax does not apply to membership fees or daily and weekly passes to fitness centers.

8. When I go snow skiing, what items are taxable under the tourism tax?

   A: All the gross receipts from ski areas are subject to the tourism tax. That would include equipment rentals, instruction, lift tickets, and food and beverages.

9. Our organization puts on an annual rodeo. How does this tax affect us?

   A: All gross receipts from admissions to a rodeo or rodeo-related activity or event are subject to the tourism tax. Food and concessions at the rodeo or rodeo-related activity or event are also subject to the tourism tax.

10. Our city operates a swimming pool with a concession stand. Are these gross receipts covered by the tourism tax?

    A: No. Admissions to swimming pools and food concessions at swimming pools are not subject to the tax.

11. I run a restaurant inside a museum. The museum doesn't charge admission. Does the tourism tax affect my business?

    A: A visitor attraction and spectator event includes any business which is being conducted on the site of another visitor attraction or spectator event. It doesn't matter that the museum doesn't charge admission; your restaurant is subject to the tax.

12. I rent motor homes. Are they included in the definition of motor coaches under this tax?

    A: Yes, motor homes are motor coaches, which are subject to tourism tax if the rental is 28 days or less.

13. I own an antique store that is only open in the summer. Am I subject to the tourism tax?

    A: Antique stores are visitor-intensive businesses. Your business is subject to the tax during June, July, August, and September, if 50% or more of your annual gross receipts are during those months. If you are only open during those months,100% of your gross receipts occur during those months and you are subject to the tax.

14. I opened a new year-round bookstore on March 15, 2010. Am I subject to the tourism tax during the first summer of operation?

    A: The tax applies to bookstores only if 50% or more of the gross receipts occur during June, July, August, and September. Because your business is new, the percentage of your gross receipts that occur during the first summer is unknown. You will not be subject to the tax during the first summer. If 50% or more of your first year's gross receipts occur during June, July, August, and September, you will be subject to the tax the following summer. If you purchased an existing bookstore, the previous owner's gross receipts will be used to decide if your business is subject to the tax this year.

15. I pay my sales tax twice a year. How do I determine if 50% of my gross receipts occur during June, July, August, and September?

    A: Even though you pay your sales tax in July and December, you are not exempt from the tourism tax. You need to analyze your sales to determine when your sales occur. You cannot rely on your semi annual sales tax returns for the information to make the determination.

Questions and Answers (cont.)

16. I own a marina with a small restaurant, boat repair shop, and campground. How does the tourism tax apply to my business?

    A: Marinas are only subject to the tax during June, July, August, and September, and then only if 50% or more of the marina's total annual gross receipts occur during those months. If 50% or more of the marina's gross receipts occur during those four months, then 100% of the marina's gross receipts are tourism taxable during that period. The gross receipts occurring outside those four months are not subject to tourism tax.

17. I own a visitor attraction business, how does the expanded tax apply to my business?

    A: Visitor attractions are subject to the tax year-round. All of the gross receipts from business conducted at the visitor attraction are subject to the tax.

18. I operate a golf course. The tourism tax applies to golf driving ranges and the rental of golf clubs. Does that tax apply to my green fees, because the driving range is a recreational service?

    A: The rental of golf clubs is subject to tourism tax as the rental of recreational equipment. The rental of carts, green fees and other admissions are subject to sales tax but are not subject to the tourism tax. If your golf course has a driving range, the golf ball rental or any other charge you implement in order to use the driving range is subject to the sales and tourism taxes. Also, the rental of golf clubs is subject to the sales and tourism taxes.

19. A bus tour starts in Rapid City and will stop at various points in the Black Hills, including Mount Rushmore, Deadwood and Keystone. A guide will narrate the trip. Does tourism tax apply?

    A: Because the trip includes service in addition to the transportation, this trip is subject to the state tax plus the tourism tax.

    Municipal sales tax applies to tours that begin, end, and are only to destinations within the same city. Tours to destinations outside the city in which the tour begins and ends are not subject to municipal sales tax. Bus tours to destinations outside South Dakota are not subject to sales tax.

20. Are Fitness Center Memberships taxed?

    A: Membership fees for fitness centers are subject to the state sales tax plus municipal sales tax. Weekly and daily passes to fitness centers are subject to the state sales tax plus municipal sales tax, no municipal gross receipts tax or tourism tax.

Application of Municipal Gross Receipts and Tourism Tax

Service	4.2% State Sales Tax	Applicable Municipal Sales Tax	1% Applicable Municipal Gross Receipts Tax	1.5% Tourism Tax
ADMISSIONS TO PLACES OF AMUSEMENT, CULTURAL, OR ATHLETIC				
Admissions to Spectator Events	X	X	X	X
Admissions to Visitor Attractions	X	X	X	X
Admissions to Movies	X	X	X	
Carnival Rides	X	X	X	X
Dances (Except School Sponsored)	X	X	X	X
Sporting Events (Except School Sponsored)	X	X	X	X
Concerts, Operas, Plays, Ballets	X	X	X	X
Fitness Center: Daily or Weekly Passes	X	X		
Fitness Center: Memberships (Except YWCA & YMCA)	X	X		
Fitness Center: YWCA and YMCA Membership and Services Only	Exempt	Exempt	Exempt	Exempt
Golf: Driving Ranges	X	X	X	X
Golf: Membership Fees and Green Fees	X	X	X	
Golf: Miniature	X	X	X	X
Instruction Fees for Sports or Other Activities (Except Ski Instruction)	X	X		
Ski Instruction	X	X		X
Museum	X	X	X	X
Nonprofit Historic Sites	Exempt	Exempt	Exempt	Exempt
Recreational Court Rental (Tennis, Racquetball, Volleyball, Ice Skating. Equipment rented with a recreational court is also subject to tourism tax.)	X	X		X
Repertory Theater Performances - Nonprofit	Exempt	Exempt	Exempt	Exempt
Skiing, Lift Tickets, Season Pass, Daily Pass	X	X	X	X
Swimming Pool	X	X	X	
Waterslides - Wave Pools	X	X	X	X
Zoo	X	X	X	X
RENTAL OF EQUIPMENT				
Picnic Equipment Rental	X	X		X
Recreational Equipment Rental (Golf Clubs, Skis, Snow Shoes, Bumper Cars, Recreational Water Equipment)	X	X		X
LODGING				
Motels/Hotels/Bed & Breakfast	X	X	X	X
Campground Fees	X	X	X	X
ALCOHOL				
Alcoholic Beverages (On or Off Sale)	X	X	X	
Alcoholic Beverages Sold at Visitor Attractions or Spectator Events	X	X	X	X
EATING ESTABLISHMENTS				
Restaurants (Including Fast Food & Sit Down)	X	X	X	
Catering Services	X	X	X	
Concession Stands	X	X	X	
Concession Stands at Visitor Attractions or Spectator Events	X	X	X	X

Contact Us

If you have any questions, please contact the **South Dakota Department of Revenue.**

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