

City of Sioux Falls

**Reduced Taxation for New  
Industrial Structures, Additions,  
Renovation, or Reconstruction of  
Existing Qualifying Structures  
Thereto Within the City Application**



*City of Sioux Falls*

**Filing Deadline**

**On or before October 1 in the year in which the  
project is completed and shall first appear on the tax  
rolls as a completed or modified structure**

231 North Dakota Avenue, P.O. Box 7402, Sioux Falls, SD 57117-7402

## Application Instructions

Pursuant to “Reduced Taxation for Industrial Structures, Additions thereto within the City,” Sections 37.055 et sequence of the Code of Ordinances of Sioux Falls, SD (Exhibit A), the City of Sioux Falls grants a new construction tax incentive to all new industrial structures, structure additions, or renovation or reconstruction of existing qualifying structures, which have a full and true value of \$300,000 or more added to real property. The new construction tax incentive shall not be made if the business use changes to a nonqualifying use during the five-year period such that it would be ineligible under the new use. The City shall notify the county in which the real property is taxed of such real property being ineligible.

No new construction tax incentive may be made unless:

- (1) The industrial structure, structure additions, or renovation or reconstruction of existing qualifying structures has a full and true value of \$300,000 or more, exclusive of land value, added to real property;
- (2) Such structures are located within the Sioux Falls corporate city limits itself pursuant to SDCL 10-6-35.4;
- (3) The real property complies with all air and water pollution laws and standards which are enacted from time to time by the state of South Dakota;
- (4) The new industrial structure or additions thereto are commenced after August 21, 1987;
- (5) The facility is primarily used for, but is not limited to, one of the uses specified in Section 37.056 of the Code of Ordinances of Sioux Falls, SD;
- (6) The person makes application for the reduced taxation from Planning and Development Services as set forth in Section 37.058 of the Code of Ordinances of Sioux Falls, SD.

Any person desiring to claim a new construction tax incentive shall make application to Planning and Development Services so that Planning and Development Services and/or a committee created can determine that such construction is eligible for a new construction tax incentive.

Please complete the application attached on or before October 1 in the year in which the project is completed and shall first appear on the tax rolls as a completed or modified structure. Planning and Development Services shall send an acknowledgement to the applicant within 30 days stating whether the facility is eligible.

Upon completion of the project, the property will be certified as eligible to Planning and Development Services in the county in which the real property is taxed.

Only properties that have been approved will be certified as eligible for reduced taxation.

Applications may be filled out and returned via mail. Mail or drop off the completed application to:

City of Sioux Falls/Reduced Taxation Application  
Attention: Planning and Development Services  
231 North Dakota Avenue  
P.O. Box 7402  
Sioux Falls, SD 57117-7402

If you have questions, please feel free to call Planning and Development Services at 605-367-8888.



# Reduced Taxation Application

City of Sioux Falls  
Planning and Development Services  
231 North Dakota Avenue  
P.O. Box 7402  
Sioux Falls, SD 57117-7402

## Company Information

Owner, Partner, or Corporation Name Federal Employer's Identification Number (FEIN)

Address (*Street, City, County, State, Zip*)

Telephone Number Fax Number Email

Mailing Address (*if different from above*)

Business Name (*if different from above*)

Business Address (*if different from above*)

Type of Ownership  Single Owner  Trust  Partnership  LLC—State of Incorporation \_\_\_\_\_ Date of Incorporation \_\_\_\_\_  
 Corporation—State of Incorporation \_\_\_\_\_ Date of Incorporation \_\_\_\_\_

Individual responsible for filing reduced taxation forms (*Name, Address, Phone, and Email*)

I certify the following:

- (1) That the new construction will add a full and true value of \$300,000 or more, exclusive of land value, added to the real property; and
- (2) The structure is located within the Sioux Falls corporate city limits itself; and
- (3) The real property complies with all air and water pollution laws and standards which are enacted from time to time by the state of South Dakota; and
- (4) The facility is primarily used for, but is not limited to, one of the uses specified in § 37.056 of the Code of Ordinances of Sioux Falls, SD.

\_\_\_\_\_  
Signature of Applicant Print Name of Applicant

Location and Legal Description of the new construction and/or addition to qualifying structures:

Primary purpose of business or if the business has multiple uses, list the primary purpose along with the other uses. (*Provide a separate sheet if necessary.*)

Estimated full and true value added to the real property Construction Date Completion Date

## Ownership Information

Name	Social Security Number	Title	
Address	City	State	Zip
Name	Social Security Number	Title	
Address	City	State	Zip
Name	Social Security Number	Title	
Address	City	State	Zip
Name	Social Security Number	Title	
Address	City	State	Zip

**REDUCED TAXATION FOR NEW INDUSTRIAL STRUCTURES, ADDITIONS OR  
RENOVATION OR RECONSTRUCTION OF EXISTING QUALIFYING STRUCTURES  
THERE TO WITHIN THE CITY**

**Sec. 37.055. Authority.**

This article is adopted pursuant to the authority granted to the city pursuant to SDCL 10-6-35.4.

**Sec. 37.056. Applicability; effective date.**

- (a) The term industrial structures or additions thereto as used in this article shall include, but not be limited to, the following uses:
- (1) Apparel and textile manufacturing.
  - (2) Wood, furniture and manufacturing.
  - (3) Lumber wholesaling.
  - (4) Printing and publishing plants.
  - (5) Warehousing and distribution (no retail uses).
  - (6) Electronics assembly and manufacturing.
  - (7) Scientific research and development, including incubation of start-up technology businesses.
  - (8) Other light pollution-free manufacturing facilities.
  - (9) Food, agricultural processing, stockyards, rendering, and milk processing plants.
  - (10) Paper, pulp and wood processing and manufacturing.
  - (11) Chemical, petroleum and rubber manufacturing and distribution.
  - (12) Stone, glass, clay, brick and cement manufacturing.
  - (13) Primary metal and smelting.
  - (14) Metal fabricating and manufacturing.
  - (15) Distillation and purification plants.

- (16) Manufacture and storage of electrical transformers.
  - (17) Data processing, hosting and related services including payroll services and financial transactions processing.
  - (18) Insurance underwriting, premium processing, and policyholder service facilities operated by domestic or foreign insurers or by other entities (other than licensed agents) who provide such services to insurers.
- (b) This article shall apply to those new industrial structures or additions thereto that are commenced after August 21, 1987.

**Sec. 37.057. Calculation of tax.**

- (a) All new qualifying structures, or additions or renovation or reconstruction of existing qualifying structures, which have a full and true value of \$300,000.00 or more, added to real property shall be taxed pursuant to the following formula during the five tax years subsequent to the completion of their construction:
- (1) The full and true value of such structures, additions, renovation or reconstruction shall be determined in the usual manner by the director of equalization.
  - (2) For the first tax year following construction, no portion of the taxable value shall be used for taxation purposes.
  - (3) For the second tax year following construction, 20 percent of the taxable value shall be used for taxation purposes.
  - (4) For the third tax year following construction, 40 percent of the taxable value shall be used for taxation purposes.
  - (5) For the fourth tax year following construction, 60 percent of the taxable value shall be used for taxation purposes.
  - (6) For the fifth tax year following construction, 80 percent of the taxable value shall be used for taxation purposes.
- (b) The taxable value of such structures or additions during any of the five tax years subsequent to the completion of their construction may not be less than their taxable value in the year preceding the first year of the tax years following construction.
- (c) For the sixth and all subsequent tax years following construction, such structures or additions shall be taxed in the same manner as all other similar industrial property within the city.

- (d) Any such structures, additions, renovation or reconstruction, the construction of which is only partially completed on any assessment date, shall be assessed for taxation purposes in the usual manner.
- (e) The new construction tax incentive shall be discontinued if the business use changes to a nonqualifying use during the five-year period such that it would be ineligible under the new use.

**Sec. 37.058. Application for reduced taxation on new construction.**

- (a) Any person desiring to claim reduced taxation on new construction shall make application to the Planning and Development Services office on or before October 1 in the year in which the project is completed and shall first appear on the tax rolls as a completed or modified structure. The application shall be submitted on a form prescribed by the city. Upon Planning and Development Services' approval of the application, the staff shall notify the applicant within 30 days stating whether the facility is eligible to receive reduced taxation.
- (b) In January, the year following completion of the project, Planning and Development Services will certify those improvements which qualify for reduced taxation to the director of equalization in the county in which the real property is taxed. New construction tax incentives are not assignable or transferable, except as collateral or security pursuant to SDCL ch. 57A-9, Secured Transactions.