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## Construction Materials Bid Exception

Effective June 1, 2016, the State of South Dakota increased the state sales tax rate from 4% to 4.5%. Pursuant to SDCL 10-45-2.2, the tax increase does not apply to materials incorporated in construction work pursuant to contracts bid or entered into before the effective date of the tax increase. The exception also applies to any change orders on projects that were originally awarded prior to June 1, 2016.

This form is being provided to assist contractors and vendors in documenting the reason why a lower tax rate may have been charged to a contractor on the purchase of construction materials.

**Be Advised:** Contractors are responsible for ensuring that they are eligible for the exception being claimed. The purchaser will be held liable for any tax, interest, and penalties imposed by the state if the contractor is not eligible to claim this exception.

Name of Contractor

Business Address City State Zip code

Contractor's Excise Tax License Number Contract Bid Date Estimated Completion Date

Name of Seller

Seller's Address City State Zip code

Project Location and Description

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I declare that the information on this form is correct and complete to the best of my knowledge and belief.

Signature of authorized contractor

Print Name

Title

Date

**Vendor Instructions:** Keep form in records.

<http://dor.sd.gov>

Revised  
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