

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**ESTABLISHMENT OF THE GROSS)
RECEIPTS TAX LEVY FOR FISCAL YEAR)
2017)
)**

**ORDER APPROVING GROSS
RECEIPTS TAX LEVY**

AA16-001

SDCL Chapter 49-1A establishes the South Dakota Public Utilities Commission Gross Receipts Tax Fund. This Fund is financed by assessing a tax on the annual intrastate gross receipts received by a utility. The Fund is used by the Commission to defray regulatory expenses related to the regulation of telecommunications, electricity, and natural gas. On April 1 of each year, all utilities and telecommunications companies doing business in South Dakota shall file with the Commission, on forms provided by the Commission, the amount of its gross receipts derived from customers within South Dakota during the preceding calendar year pursuant to SDCL 49-1A-4. The report shall be sworn to and verified by an officer of the company. The Commission shall, by order, establish the rate and assess the tax authorized in SDCL 49-1A-3 which, together with any funds remaining from the current fiscal year and the two hundred fifty dollar minimum gross receipt tax, will fund the Commission's budget for the next fiscal year and provide a contingency reserve in an amount not to exceed the prior year's budget. In accordance with SDCL 49-1A-5, the tax is due and payable on July 15 of each year. By letter dated April 8, 2016, Commission Staff recommended setting the gross receipts tax levy at .00135, or \$250 per company, whichever is greater.

At its regularly scheduled meeting on April 11, 2016, the Commission considered this matter. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-1A. Commissioner Nelson moved to set the gross receipts tax levy at the rate of .0013 or \$250, whichever is greater. Commissioner Fiegen made a substitute motion to set the gross receipts tax levy at the rate of .00135 or \$250, whichever is greater. The Commission voted to set the gross receipts tax levy at the rate of .00135 or \$250, whichever is greater, and to assess the tax (Commissioner Nelson, dissenting). It is therefore

ORDERED, that by May 1, 2016, the Commission shall assess on each public utility and telecommunications company a tax for Fiscal Year 2017 equal to .00135 of the company's calendar year 2015 intrastate gross receipts or \$250, whichever is greater. The tax shall be paid on or before July 15, 2016.

Dated at Pierre, South Dakota, this 13th day of April, 2016.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.
By: <u><i>Rayne West</i></u>
Date: <u>4-13-16</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

CHRIS NELSON, Chairman (dissenting)

Kristie Fiegen
KRISTIE FIEGEN, Commissioner

Gary Hanson
GARY HANSON, Commissioner