

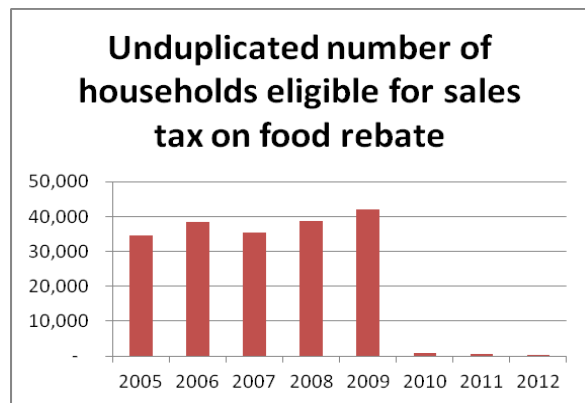
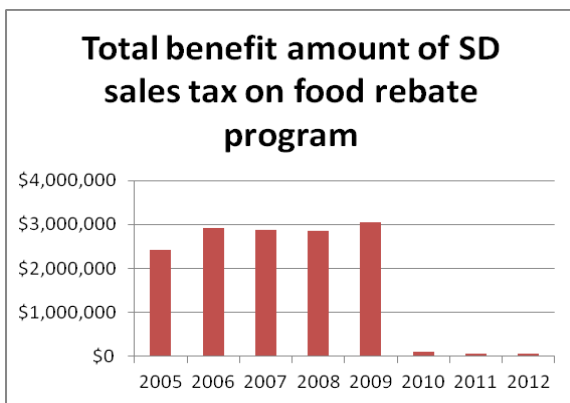
# Quick Facts – South Dakota’s sales tax on food refund program



What does research on South Dakota's sales tax on food refund program reveal?

The state program to provide food tax refunds in South Dakota was changed in 2009. Prior to 2009 all households below 150% of the federal poverty level were eligible for refunds. The 2009 program change made households below 130% of the federal poverty level ineligible, leaving only households between 130% and 150% of the federal poverty level eligible for the program.

This reduced the number of households served by the program in 2009 by over 99%, from 42,161 households to 264 households in FY12. Tax refund amounts returned to poor South Dakota households have decreased from over \$3 million in FY09 to \$57,292 in FY12.



In 2009, the program was appropriated \$1.3 million to provide sales tax refunds for South Dakota families (\$992,128 general funds & \$389,620 other funds). In the three years since these funds have still not been fully utilized because of the restriction in eligibility.

Sales Tax on Food Rebate Program		
Year	Total benefit amount	Unduplicated number of households
2005	\$2,429,501	34,560
2006	\$2,925,678	38,339
2007	\$2,881,385	35,304
2008	\$2,861,145	38,849
2009	\$3,054,314	42,161
2010	\$101,067	726
2011	\$68,621	432
2012	\$57,292	264

**Data Sources:**

- SD Dept of Social Services Annual Statistical Report FY2011 and 2-3-12
- House Appropriations Committee Testimony, 2-3-12
- 2009 Session law, chapter 140.

The South Dakota Budget & Policy Project produced this analysis as a part of its mission to promote responsible and equitable fiscal policy through research and education.

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