



“As South Dakota’s economy continues to boom, we have consistently ranked at or near the top of the country for fastest new housing development. However, even this impressive growth has not kept up with new residents moving into our state. This will enable us to attract even more freedom-loving Americans to fill South Dakota’s open jobs.”

— Gov. Kristi Noem, February 1, 2023

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South Dakota

Pop. (2023): 910,839

Median household income (2023): \$67,023

Credit Rating: AAA / Stable

Pop. growth 2023–2028: 0.50%

Median age (2023): 38.9

Right-to-work state: Yes

LEGISLATIVE UPDATE

HB 1137 went into effect on July 1, lowering South Dakota’s tax rate from 4.5% to 4.2%. This marks the largest tax cut in the state’s history, returning \$104 million to South Dakota taxpayers. The state rates affected by the change include Sales and Use tax, Excise Tax on Farm Machinery and Farm Attachment Units, Amusement Device Tax and Motor Vehicle Gross Receipts Tax. The bill includes a sunset clause which repeals the rate reduction on June 30, 2027.

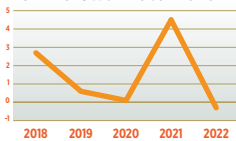
When HB 1033 was signed into law in 2022, Gov. Noem identified technical issues with the bill that would prevent the multi-million investment from being deployed. Senate Bill 41 fixes these issues, immediately freeing \$200 million in housing infrastructure investment.

SB 76 allows out-of-state licenses for a broad range of occupations in the medical sector, water supply and treatment systems, construction and education to be recognized in South Dakota. This will help the state tackle its workforce challenges by making it easier for employers to hire qualified individuals who move to South Dakota to work in licensed professions.

GDP

45th

GDP Growth Rate Trend



2022 GDP
(in millions of current US\$)
\$54,959



2nd
Business Tax Climate Rank Change 2023–2024: 0



50th
Higher Ed. R&D Expenditure in \$000s: 118,097



22nd
Number of NCRCs: 59,008 | Percent Improvement 2022–2023: 14.21%



25th
2023 Workers’ Comp Index Rate: 1.30



27th
Industrial power cost per kWh: \$8.04



9th
Total Revenue as Share of Total Expenses, FY 2007–2021: 106.5%