



# Homestead Exemption Program



## For additional assistance:

**Phone:** 1-800-829-9188

**Email:** [proptaxin@state.sd.us](mailto:proptaxin@state.sd.us)

**Website:** <https://dor.sd.gov>

"Our Department and state officials understand that many elderly and disabled South Dakotans live on fixed incomes and may have difficulty meeting their tax obligations. This brochure explains how the Homestead Exemption Program works, what eligibility requirements must be met, and how to apply."

**-Secretary Michael Houdyshell**

## What's inside:

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## Relief Programs

Assessment Freeze for the Elderly and Disabled

Disabled Veteran Exemption

Homestead Exemption Program

Property Tax Exemption for Paralegic Veterans

Property Tax Reduction for Paraplegics

Property Tax Reduction from Municipal Taxes for the Elderly and Disabled

Sales or Property Tax Refund for Seniors & Citizens with Disabilities



## Homestead Exemption Programs— Only Delay Property Taxes

### Two Programs to Delay Property Taxes

There are two programs to delay your property taxes. Both programs allow you to defer taxes until you sell your home, but each has its eligibility requirements.

#### Program 1: Eligibility Based on Age and Home Value

Your local county treasurer's office cannot take your property from back taxes if you are 70 years old or older when you failed to pay your property taxes, and your home is assessed at or below \$170,000.

Under the Homestead Exemption Program 1, homeowners can defer paying property taxes until they sell the property. They accumulate property taxes, which accrue interest at a rate of 10% per year, but the homeowners must pay these taxes only once they transfer the property.

"Property" is defined as the house, garage, and the lot upon which it sits, or one acre, whichever is less.

Entering this program makes the applicant ineligible for a property tax refund under the Sales or Property Tax Refund for Seniors & Citizens with Disabilities Program. However, applicants may still be eligible for a sales tax refund if they otherwise meet the program's requirements.

### Program 2: Annual Application Required - Eligibility Based on Age, Income, and Other Factors

Under the Homestead Exemption Program 2, homeowners can defer paying property taxes until they sell the property. They accumulate property taxes, which accrue interest at a rate of 4% per year, but they must pay these taxes only once they transfer the property.

#### Income Limits

The income limits for eligibility are based on the total income from the previous calendar year (SDCL 10-6C). "Income" includes your federal adjusted gross income and any additional income, such as Social Security payments. Your household income must be below the following limits to qualify for the program:

**Single member household** (one person in the household): Income must be less than \$17,949.

**Multiple member household** (income from all household members): Income must be less than \$22,436.

#### Eligibility Requirements

To qualify for the Homestead Exemption Program, you must meet the following criteria:

**Age:** You must be 70 years of age or older or a surviving spouse of someone who was previously eligible.

**Ownership:** You must have owned your home for at least three years **OR** been a resident of South Dakota for at least five years.

#### How to Apply

Applications must be submitted annually to your county treasurer on or before April 1st.

Applications are available starting in January at your local county courthouse or online through the Property Tax Division's website at: <https://dor.sd.gov/individuals/taxes/property-tax/relief-programs/>