

Con – Initiated Measure 28

IM-28 would lead to irresponsible funding cuts to essential government functions or new tax increases. It would eliminate sales taxes on MANY items other than food, cutting at least \$176 million.

IM-28 would prohibit taxes on anything sold for human consumption, except alcohol and prepared food. This bad wording would eliminate taxes on tobacco (annual loss of \$65 million), vaping products, CBD, toothpaste, aspirin, toilet paper, and many other products.

If IM-28 passes, it would have the absurd result where sales taxes would remain on a rotisserie chicken, but not a pack of cigarettes.

IM-28 would prevent cities and towns from collecting sales taxes on consumable items, leaving a huge hole in local budgets.

State law says cities and towns can charge a sales tax only if it “conforms in all respects to the state tax on such items with the exception of the rate.”

This means that cities and towns can only tax the same items as the state – and if the state cannot tax “anything for human consumption,” neither can a city or town. IM-28 will eliminate funding for our communities and require cuts for law enforcement, roads, pools, and parks.

IM-28 will also reduce funding for Tribal governments via sales tax compacts with the state.

The bad wording in IM-28 is setting us up for a state income tax, or it was drafted wrong. Either way, it’s bad for South Dakota.

IM-28 will cut at least \$176 million each year and lead to significant cuts to education, healthcare, and state employees; or it sets us up for an income tax to fund needed services.

Vote no on IM-28.

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