



# Property Tax Relief Programs

## 2026

### **HOMESTEAD EXEMPTION**

#### **"Automatic" Program – SDCL 43-31-1**

- If they are 70+ years of age, the property cannot be taken ***period***
  - However, the value of the homestead cannot exceed \$170,000
- Taxes and full 10% interest still accrue and become a lien on the property
  - Taxes due are not to exceed the value of the property
- If Treasurer is not notified that the individual is 70+ until after tax deed proceedings have started, the individual must pay for costs incurred by the county up to that point (10-23-2.5)

#### **Reduced Interest Rate Program – SDCL 10-6C**

- Eligibility for the reduced interest rate
  - Must be 70 years old (or turning 70 in the year of application) or the un-remarried surviving spouse
  - Has owned a single-family dwelling for at least 3 years, or has been a resident of South Dakota for at least 5 years
  - Has resided for at least 8 months of the previous calendar year in the home
  - Must not exceed certain income limits:
    - Single-member household - \$18,470\*
    - Multi-member household - \$23,087\*
- Annual application deadline of April 1 to Treasurer
  - Must be current on all property taxes to be eligible
- Taxes and 4% interest still accrue and become a lien on the property
- Recipient becomes ineligible for the Property Tax Refund program but can still be eligible for the Sales Tax Refund program.

*\*Above incomes are for 2026 application*

## **ASSESSMENT FREEZE FOR ELDERLY AND DISABLED - SDCL 10-6A**

- Eligibility
  - Must have turned 65 years old OR be legally disabled
  - Must own the house or retain a life estate in the property
  - Must have been an owner of owner-occupied property and a resident of SD for at least five years, unless the person received the assessment freeze in the previous year.
  - Must have resided in the house for at least 200 days during the previous calendar year
  - Must not exceed certain income limits
    - Single-member household - \$56,595\*
    - Multi-member household - \$66,885\*
  - Property must have a full and true market value of less than \$514,500.\*
  - A surviving spouse may still qualify if other eligibility requirements are satisfied.
- Annual application deadline of April 1 to Treasurer
  - However, a person failing to comply with the April first deadline for the previous year, but otherwise qualifying for the real property tax assessment freeze provided under this chapter, may petition the board of county commissioners for an abatement.

*\*Above incomes and value are for 2026 application*

## **DISABLED VETERAN EXEMPTION - SDCL 10-4-40 & 10-4-41**

- Eligibility
  - Property must be owned and occupied by a disabled veteran rated as permanently & totally disabled due to a service-connected disability (totally and permanently – this is not a percentage)
  - Or an un-remarried surviving spouse of such a veteran
  - Or an un-remarried surviving spouse receiving dependency & indemnity compensation as a result of the veteran's service-connected death\*
- Initial application deadline to Director of Equalization by November 1
  - Proof of eligibility is required with the initial application
  - Do not need to apply yearly
- The first \$200,000 of valuation is exempt from taxation.
- Sale or transfer of the property will remove the exemption.

### **PARAPLEGICS PROGRAMS - SDCL 10-4-24.9 thru 10-4-24.13**

- Eligibility for both programs:
  - Property must be owned and occupied by a paraplegic or individual with the loss of use of both lower extremities, or the un-remarried surviving spouse
  - Property must be specifically designed for wheelchair use within the structure

#### **Tax Reduction for Paraplegics**

- Income limits apply:
  - less than \$20,778\* for a single-member household
  - less than \$25,395\* for a multi-member household
- Taxes are reduced through the abatement process
- Annual application deadline of April 1 to County Treasurer

*\*Above incomes are for 2026 application*

#### **Exemption for Paraplegic Veterans**

- The injury to the veteran applicant does not have to be service-related.
- Initial application deadline – November 1 to Director of Equalization
  - Does not require annual application
- 100% valuation exempt

### **MUNICIPAL PROPERTY TAX REDUCTION – SDCL 10-6B**

**\*\*Rapid City is the only city that has passed an ordinance for this program\*\***

- A portion of the property taxes the individual would pay to the city is abated based upon a sliding income scale.