

SD DEPARTMENT OF REVENUE AND REGULATION

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Late Title Transfers Subject to Increased Penalty and Interest

(PIERRE, SD) – Vehicle owners who are delinquent in transferring vehicle titles will owe county treasurers more than just a title penalty – they’ll also be paying an additional penalty and interest on South Dakota’s motor vehicle excise tax.

Financial penalties for transferring vehicle titles more than 30 days from the date the vehicle was purchased increased as of July 1, 2008. According to Debra Hillmer, director of the state Division of Motor Vehicles, the implementation of the new SDcars system (Customized Automated Registration System) made it possible to calculate penalty and interest on both the 4% manufactured home initial registration fee and the 3% motor vehicle excise tax.

“Prior to July 1, if an owner applied for a vehicle title and registration more than 30 days from the date they bought their vehicle, they were assessed a late title application fee of \$1 per week for up to 25 weeks and \$50 for anything beyond that, with no additional penalty or interest on the motor vehicle excise tax,” Hillmer said. “While subject to the penalties and interest in the past, the new SDcars system has been programmed to assess the fees. We hope the addition of penalty and interest will encourage people to follow the law and transfer their vehicle titles in a more timely manner.”

Under the fee changes, all fees are assessed from the purchase date, regardless of when an applicant applies for title and registration. SDcars automatically assesses interest on the tax owed for each month or part thereof for which the tax payment is late at the rate of 1.25% or \$5, whichever is greater, for the first month, and 1.25% per month thereafter on any application made after 30 days from the date the vehicle is purchased. A one-time penalty equal to 10% of the tax or \$10, whichever is greater, is automatically applied against any application made after 60 days from the purchase date.

For more information on transferring titles, contact your local county treasurer or the Division of Motor Vehicles at 605.773.3541.