



Gary Hanson, Chairman
Chris Nelson, Vice Chairman
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PUBLIC UTILITIES COMMISSION

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Patricia Van Gerpen
Executive Director
Public Utilities Commission
500 E Capitol Ave.
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Ms. Van Gerpen:

Approximately 85% of companies required to file gross receipts tax revenue forms have submitted them for the 2024 calendar year.

Based on historical patterns, companies that have not yet filed are projected to pay the minimum tax. In developing my recommendation, I considered several key factors: the current cash balance of the PUC gross receipts tax fund, the downward trend in reported revenues among companies required to file, projected expenditures, and anticipated charge-back docket filings for FY26.

According to SDCL 49-1A-4, the total of assessments and the gross receipts cash balance must not exceed the Commission's current fiscal year budget combined with the budget for the upcoming year. For FY26, this sets a maximum allowable cash balance of \$10,715,589.

Given these considerations, I recommend setting the gross receipts tax levy at 0.0015 or \$250 per company, whichever is greater.

Respectfully,

Cindy Kemnitz
Finance Manager