



**SOUTH DAKOTA DEPARTMENT OF REVENUE**

445 East Capitol Avenue • Pierre, SD 57501  
(605) 773-3311 • [dor.sd.gov](http://dor.sd.gov)

**TO: County Auditors**

**RE: Consumer Price Index for 2025 – Taxes Payable 2026**

**DATE: January 22, 2025**

SDCL 10-13-38 states that the Department of Revenue shall notify the County Auditor by February 1 of each year of the CPI. This statute also states that the County Auditor shall notify each taxing district, except school districts, within the county by March 1 of this index factor.

**The CPI to be used for taxes payable in 2026 is 2.9%**

The index factor is the percentage used in calculating a taxing district's annual increase in the taxes payable in the following year (SDCL 10-13-35). The total amount of increase is the CPI plus growth.

You may want to caution the taxing districts that accurate growth numbers will not be available until you receive the growth of utilities by the fourth Monday in August.

**REMINDERS**

- Opt Outs cannot receive the growth + CPI increase.
- Township Road & Bridge must be passed annually at the Annual Meeting.
- Even with the increase from growth and CPI, all taxing entities must remain within the levy statute limits.
- Please advise your taxing entities to double-check that their Opt Outs are still valid for the Pay 2025 tax year before they submit their request.
- Deadline to pass a new Opt Out is July 15.
- All new Township Road & Bridge levies, New Tax Impositions, and new Opt Outs (including supporting documentation for each) must be reported to our office in a timely manner!