



South Dakota Wage and Tax Facts

2026

MINIMUM WAGE	
Minimum Wage:	\$ 11.85
Minimum Cash Wage:	\$ 5.93
(Tipped Employee)	
Maximum Tip Credit:	\$ 5.92
Effective: 1/1/26	

LOCAL INCOME TAXES

STATE INCOME TAX	
Wage Withholding:	None
Supplemental Wage/Bonus Rate:	None

RECIPROCITY RULES

UNEMPLOYMENT INSURANCE	
Maximum Taxable Earnings:	\$ 15,000
Employee Deduction:	None
Employer Tax Rates:	0.0 - 9.5%
Standard New Employer Rate:	
1st Year	1.20%
2nd Year	1.00%
3rd Year	1.00%
Voluntary Contribution Permitted:	Yes

WORKERS' COMPENSATION

Please contact your insurance provider for details

STAFFING SERVICES SUBJECT TO SALES TAX

Temp/Perm

http://dor.sd.gov/Taxes/Business_Taxes/

DISABILITY INSURANCE	
Employee Deduction:	None

AGENCY WEBSITES

Dept of Revenue: <http://dor.sd.gov>

Dept of Labor & Regulation: <http://dlr.sd.gov>

New Hire:

https://dlr.sd.gov/ra/new_hire_reporting/default.aspx