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**For Immediate Release:** Monday, July 1, 2024  
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## **Employers Benefiting from Low Unemployment Tax Rates**

PIERRE, S.D. – Over 20,000 out of 33,378 South Dakota employers have benefited from a zero percent unemployment tax rate since [HB 1101](#) was passed during the 2023 legislative session. In the prior year, only 4,800 obtained a zero percent rate.

This legislation created a new tax Schedule C to reduce employer contribution rates by 0.5% when the Unemployment Insurance Trust Fund balance at the end of the fiscal year is at or above the average high cost multiplier of 1.5.

“We intended to provide a tax cut while ensuring the fund remained at a healthy and responsible level,” said state Labor and Regulation Secretary Marcia Hultman. “Our hardworking business owners saved \$18 million, and we are seeing the positive impacts.”

South Dakota’s unemployment rate is the lowest in the nation at 2.0%. Only 1,271 people are receiving reemployment assistance benefits – a historic low.

“People are choosing to work, and our economy is booming,” said Hultman. “Many new businesses are calling our state home, and thousands of new workers are relocating to the Mount Rushmore state.”

The first year for the new schedule was calendar year 2024. Employers are notified each October of what schedule and rates apply to them at the beginning of the new year. Projections indicate Schedule C will remain in place for 2025.