As a national leader in corporate tax and small enterprise-friendliness, South Dakota has made a concerted effort to work with and for small business to accelerate job retention and job growth. The state has put in place an extensive array of tax and regulatory statutes aimed at lessening the tax burden on doing business and invested in extensive infrastructure to promote research and technology development.

**Infrastructure**

Working collaboratively with private industry, the federal government, and federal labs, the state has developed the abandoned Homestake gold mine into the Sanford Underground Science and Engineering Lab (SUSEL). A $70 million gift for the Homestake effort from T. Denny Sanford, a leading businessman in South Dakota and one of the country’s top philanthropists, helped turn the new deep underground research facility into a reality. Coupled with a National Science Foundation (NSF) award of $29 million, scientists have moved forward in developing the lab’s preliminary designs. Construction has been completed for the surface laboratory for the Large Underground Xenon (LUX) dark matter detector. Construction of a surface facility for the Majorana neutrino experiment began in December, and excavation is underway at the 4,850-foot depth level on underground space for both experiments.

Similar projects in the United States show that the Homestake Lab project will have a large economic impact on the entire state. Hundreds of scientists, technicians and support personnel will work at the laboratory, and thousands of scientists from throughout the world will participate in experimentation at SUSEL.

The Sanford Science Education Center will attract students, teachers, and visitors from throughout the nation. Several industries have market commercialization potential in the adjacent town of Lead, SD as a result of the lab. This may stimulate start-up companies and spin-off projects in mining, robotics, communications, explosives, drilling technology, air quality, health, safety, mine mapping, sensors, enzymes, animal feeds and medicines, nuclear waste cleanup, energy, and eco-tourism.

South Dakota has worked to develop a tax and regulatory environment designed to encourage corporate and small business development through a comprehensive approach to minimizing tax and government regulatory issues.

The state offers businesses and individuals:

- No corporate income tax,
- No personal income tax,
- No personal property tax,
- No business inventory tax, and
- No inheritance tax.

Partly because of this enterprise-friendly environment, the state is home to a strong cadre of financial services companies.

South Dakota’s business and financial services cluster has added more than 9,000 jobs showing 24% growth since 2002.

**Entrepreneurship and Innovation**

In an effort to build on the momentum generated by the state’s growth, South Dakota has launched a three-phase effort to continue growing jobs and new businesses. Program elements include increasing MicroLoan lending limits, expanding existing revolving loan capacity, and developing new industry clusters and enhancing those that already exist in the state including health care, biotech, financial, insurance, and firearms.

The state also is working to promote the growth and expansion of existing businesses by re-establishing the Manufacturing Extension Partnership (MEP), re-establishing the Procurement Technical Assistance Center (PTAC), and promoting agricultural and natural resource development aimed at value-added agricultural projects.

South Dakota is also taking steps to become a net energy exporter in ethanol, biodiesel fuel and wind energy.