

Several states offer sales tax holidays during the

paper, scissors, cellophane tape, glue, paste, rulers, computer disks, protractors, compasses, and calculators.

The Department of Revenue (Department) added a new provision this year that allows qualified businesses to choose not to participate when, during calendar year 2015, less than 5 percent of their gross sales of tangible personal property were sales of items that would be exempt during the tax holiday period.

Qualified businesses that do not participate in the tax holiday must post a notice in a conspicuous location at each business site declaring their choice not to participate in the Back-to-School Sales Tax Holiday.

Such non-participating retailers must also give the Department notice, by way of a letter, on business letterhead, that states that the business meets the enumerated qualifications, and has chosen not to participate in the tax holiday. In addition:

- The notice must be signed by an individual authorized to sign on behalf of the business; and
- Businesses with multiple locations may send a single notice stating that all their Florida locations will not participate in the tax holiday.

OHIO

In the Buckeye State, [Senate Bill 264](#) provides for the three-day sales tax holiday, on August 5-7, 2016, during which sales of clothing and school supplies are exempt from sales and use taxes.

In a [Sales Tax Holiday FAQ's](#), the Ohio Department of Taxation addressed the particulars of the holiday, such as the following:

- These products are exempt from sales and use tax:
 - An item of clothing priced at \$75 or less;
 - An item of school supplies priced at \$20 or less; and
 - An item of school instructional material priced at \$20 or less;
 - The qualification is determined item by item; there is no limit on the amount of the total purchase;
 - A retailer may not split items that are normally sold together, like a pair of shoes that costs \$125, in order to fall under the sales price threshold;
 - The exemption applies to layaway sales, as well as qualified items sold to consumers by mail, telephone, e-mail, or internet unless the items were ordered and purchased before the sales tax holiday;
 - Sellers may not refuse to participate in the sales tax holiday because it is set by law.

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SOUTH CAROLINA

[South Carolina law](#) provides for a sales tax holiday each year, beginning 12:01 a.m. on the first Friday in August and ending at 12:00 a.m. the following Sunday.

In a [press release](#) announcing the holiday for back to school 2016, the state's Department of Revenue reminded consumers that this year's runs from Friday, August 5 through Sunday, August 7. During this time, these items are exempt from the 6 percent state sales tax and any applicable local sales taxes:

- Clothing;
- Clothing accessories including, but not limited to, hats, scarves, hosiery, and handbags;
- Footwear;
- School supplies including, but not limited to, pens, pencils, paper, binders, notebooks, books, bookbags, lunchboxes, and calculators;
- Computers, printers and printer supplies, and computer software;
- Bath wash clothes, blankets, bed spreads, bed linens, sheet sets, comforter sets, bath towels, shower curtains, bath rugs and mats, pillows, and pillow cases.

The exemption does not apply to:

- Sales of jewelry, cosmetics, eyewear, wallets, watches;
- Sales of furniture;
- The sale of an item placed on layaway or a similar deferred payment and delivery plan;
- Rental of clothing or footwear;
- The sale or lease of an item for use in a trade or business.

During South Carolina's sales tax holiday, its 17th, shoppers are expected to save an estimated \$2.25 million.

TEXAS

The Texas Comptroller issued a [press release](#) reminding shoppers they can save money on certain items priced for less than \$100 during the state's annual sales tax holiday. This year, the sales tax holiday is scheduled for Friday (Aug. 5), Saturday (Aug. 6), and Sunday (Aug. 7). All sellers engaged in business in Texas that sell qualifying products must participate.

The law exempts most clothing, footwear, school supplies and backpacks priced below \$100 from sales tax, saving shoppers about \$8 on every \$100 they spend during the weekend.

The Comptroller posted important information – [“Fine Print”](#) – so that consumers understand the details. For example:

- The exemption applies to each eligible item that sells for less than \$100, regardless of how many items are sold on the same invoice to a customer. For example, if a customer purchases two shirts for \$80 each, then both items qualify for the exemption, even though the customer's total purchase price (\$160) exceeds \$99.99;
- The exemption does not apply to the first \$99.99 of an otherwise eligible item that sells for more than \$99.99. For example, if a customer purchases a pair of pants that costs \$110, then sales tax is due on the entire \$110;

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- The exemption does not apply to sales of special clothing or footwear that the manufacturer primarily designed for athletic activity or protective use, and that is not normally worn except when used for the athletic activity or protective use for which the manufacturer designed the article. For example, golf cleats and football pads are primarily designed for athletic activity or protective use and are not normally worn except for those purposes; they do not qualify for the exemption. Tennis shoes, jogging suits and swimsuits, however, are commonly worn for purposes other than athletic activity and thus qualify for the exemption;
- The exemption does not extend to rental of clothing or footwear; nor does it apply to alteration (including embroidery) or cleaning services performed on clothes and shoes. Additionally, tax is due on sales of accessories, including jewelry, handbags, purses, briefcases, luggage, umbrellas, wallets, watches and similar items.
- A sale of a qualifying item under a layaway plan qualifies for exemption if the customer places the qualifying merchandise on layaway during the holiday or makes the final payment during the holiday.

Since 1999, Texas has been offering sales tax holidays. During this one, shoppers will save an estimated \$92 million in state and local sales taxes.

July Sales Tax Holidays

While most states' holidays are in August, a few, like [Georgia](#), [Tennessee](#), and [Mississippi](#), will be a week earlier, during the last weekend in July.

No Sales Tax Holidays

The states not offering a back to school sales tax holiday are Arizona, California, Colorado, District of Columbia, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Nebraska, Nevada, New Jersey, New York, North Carolina, North Dakota, Pennsylvania, Rhode Island, South Dakota, Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming.

One reason a state may not participate is because its budget is in a deficit. For example, [MassLive](#) revealed that in June, Massachusetts lawmakers were increasingly skeptical about whether a tax holiday is a good use of \$20 or \$25 million. Abstaining this year represents a departure in policy; the Bay State has offered the tax reprieve in the last 12 of 13 years.



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