

2016 Sales Tax Holidays for Back-to-School Purchases

Overview

Each year, numerous states provide a sales tax holiday for consumers, typically exempting purchases of back-to-school-related items (e.g., books, clothing, etc.) from sales tax if the eligible purchase(s) occurs during a specified period. In this Tax Alert, we summarize the state by state sales tax holidays currently scheduled to occur during the balance of calendar 2016, as of the date of this Alert.

State	Qualifying Items ¹	Sales Tax Holiday Dates
Alabama ^{2 3}	<ul style="list-style-type: none"> • Clothing and footwear with a sales price of \$100 or less per item • Single purchases of computers, computer software, and school computer supplies with a sales price of \$750 or less • School supplies, school art supplies, and school instructional material with a sales price of \$50 or less per item • Books with a sales price of \$30 or less per book (for noncommercial use) 	August 5 – 7, 2016
Arkansas ^{4 5}	<ul style="list-style-type: none"> • Clothing and footwear with a sales price of less than \$100 per item • Clothing accessories or equipment with a sales price of less than \$50 per accessory • Commonly used school supplies and artwork supplies • Written material commonly used by a student in a course of study as a reference to learn the subject being taught (i.e., – textbooks) 	August 6 – 7, 2016
Connecticut ⁶	<ul style="list-style-type: none"> • Clothing and footwear with a sales price of less than \$100 per item 	August 21 – 27, 2016

¹ The list of items qualifying for an exemption from sales tax (and associated exclusions) during each state's sales tax holiday is not intended to be exhaustive. If questions arise as to eligibility of certain purchases, readers are advised to consult with the Jurisdictional Technical Lead for the specific jurisdiction.

² Ala. Stat. § 810-6-3-.65; Note: Local counties and municipalities may provide for the exemption of "covered items" during the same period as the state sales tax holiday, if they adopt a resolution or ordinance at least 30 days prior to the first full weekend in August. A list of local governments that have notified the Alabama Department of Revenue regarding their participation can be found at: <https://www.revenue.alabama.gov/salestax/STholiday.cfm>

³ *Sales Tax Holiday Quick Reference Sheet of Exempt Items*, as published by the Alabama Department of Revenue, available at: <https://www.revenue.alabama.gov/salestax/STHolidayQuickRefSheet16.pdf>

⁴ Ark. Stat. § 26-52-444

⁵ *2016 Arkansas Sales Tax Holiday*, as published by the Arkansas Department of Revenue, available at: <http://www.dfa.arkansas.gov/offices/exciseTax/salesanduse/Documents/holidayItemized.pdf>

⁶ Conn. Stat. § 12-407e

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State	Qualifying Items	Sales Tax Holiday Dates
Florida ⁷	<ul style="list-style-type: none"> • Clothing, wallets, or bags with a sales price of \$60 or less, per item • School supplies with a sales price of \$15 or less, per item 	August 5 – 7, 2016
Georgia ^{8 9}	<ul style="list-style-type: none"> • Clothing and footwear with a sales price of \$100 or less per item; the exemption excludes clothing accessories • Single purchases of \$1,000 or less of computers, computer components, and prewritten computer software (for non-commercial personal use) • School supplies, art supplies, school computer supplies, and school instructional materials with a sales price of \$20 or less per item 	July 30 – 31, 2016
Iowa ^{10 11}	<ul style="list-style-type: none"> • Clothing and footwear with a sales price of less than \$100 per item 	August 5 – 6, 2016
Louisiana ^{12 13}	<ul style="list-style-type: none"> • Sales of tangible personal property are subject to a <u>reduced state sales tax rate</u> of 3%, instead of the standard state sales tax rate of 5% during the sales tax holiday. • Exemption applies to the first \$2,500 of the purchase price of most items of TPP, except vehicles subject to license and title & meals for consumption on the premises where purchased, including to-go orders. 	August 5 – 6, 2016
Maryland ^{14 15}	<ul style="list-style-type: none"> • Clothing and footwear with a sales price of \$100 or less per item 	August 14 – 20, 2016
Mississippi ^{16 17}	<ul style="list-style-type: none"> • Clothing and footwear with a sales price of \$100 or less per item; the exemption excludes clothing accessories 	July 29 – 30, 2016

⁷ Florida Sec. 24 Uncodified Legislation Ch. 2016 – 220 (H.B. 7099)

⁸ O.C.G.A. § 48-8-3(75)

⁹ *Informational Bulletin Sales Tax Holiday July 30-31, 2016*, as published by the Georgia Department of Revenue, available at:

http://dor.georgia.gov/sites/dor.georgia.gov/files/related_files/press_release/2016%20Sales%20Tax%20Holiday%20Back%20to%20School.pdf

¹⁰ Iowa Stat. § 423.3(68)a

¹¹ *Taxable and Exempt List*, as published by the Iowa Department of Revenue, available at:

<https://tax.iowa.gov/sites/files/idr/documents/STHList.pdf>

¹² Louisiana. Stat. § 47:305.54 – as enacted by Acts 25 & 26 of the 2016 First Extraordinary Session of the Louisiana Legislature

¹³ *Informational Publication Sales Tax Holiday August 5-6, 2016*, as published by the Louisiana Department of Revenue, available at: <http://www.revenue.louisiana.gov/NewsAndPublications/salestaxholiday>

¹⁴ Mary. Stat. § 11-228

¹⁵ *Shop Maryland Week's list of taxable and exempt items*, as published by the Comptroller of Maryland, available at:

http://comptroller.marylandtaxes.com/Public_Services/Agency_Information/Office_of_the_Comptroller/Comptroller_Initiatives/Shop_Maryland_Tax-free_Week/TaxableItems.pdf

¹⁶ Miss. Code Ann. § 27-65-111(bb); Note: Local jurisdictions can choose to not participate in the sales tax holiday if they enact a resolution to not participate and notify the department 90 days prior to the sales tax holiday. A list of local jurisdictions which are participating in the sales tax holiday can be found at:

<http://www.dor.ms.gov/Business/Documents/2016%20Sales%20Tax%20Holiday.pdf>

¹⁷ *Official Guide to the Sales Tax Holiday*, as published by the Mississippi Department of Revenue, available at:

<http://www.dor.ms.gov/Business/Documents/2016%20Sales%20Tax%20Holiday.pdf>

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State	Qualifying Items	Sales Tax Holiday Dates
Missouri ^{18 19}	<ul style="list-style-type: none"> • Clothing and footwear with a sales price of \$100 or less per item • School supplies not exceeding \$50 per purchase • Computer software with a sales price of \$350 or less per item • Single purchases of computers/computer peripheral devices with a sales price of \$1,500 or less • Graphing Calculators with a sales price of \$150 or less 	August 5 – 7, 2016
New Mexico ^{20 21}	<ul style="list-style-type: none"> • Clothing and footwear with a sales price of less than \$100 per item • School supplies normally used by students with a sales price of less than \$30 per item • Book bags, backpacks, maps and globes with a sales price of less than \$100 per item • Handheld calculators with a sales price of under \$200 • Desktop, laptop, tablets or notebook computers with a sales price of \$1,000 or less per item 	August 5 – 7, 2016
Ohio ^{22 23}	<ul style="list-style-type: none"> • Clothing and footwear with a sales price of \$75 or less per item • School supplies and school instructional materials with a sales price of \$20 or less per item 	August 5 – 7, 2016
Oklahoma ^{24 25}	<ul style="list-style-type: none"> • Clothing and footwear with a sales prices of less than \$100 per item 	August 5 – 7, 2016
South Carolina ²⁶	<ul style="list-style-type: none"> • Clothing and footwear, school supplies, computers, printer supplies and computer software • Bedding/linens, pillows, bath rugs, blankets, and towels 	August 5 – 7, 2016

¹⁸ Mo. Rev. Stat. § 144.049; Note: Local jurisdictions can choose to not participate in the sales tax holiday if they enact an ordinance to not participate and notify the department 45 days prior to the sales tax holiday. A list of local jurisdictions which are participating in the sales tax holiday can be found at:

<http://dor.mo.gov/business/sales/taxholiday/green/cities.php> or
<http://dor.mo.gov/business/sales/taxholiday/green/counties.php>

¹⁹ *Frequently Asked Questions – Back to School Sales Tax Holiday*, as published by the Missouri Department of Revenue, available at: <http://dor.mo.gov/business/sales/taxholiday/school/faq.php>

²⁰ N.M. Stat. § 7-9-95

²¹ New Mexico Bulletin B-200.18 - *List of Taxable and Nontaxable Items for New Mexico's Gross Receipts Tax Holiday*, as published by the New Mexico Taxation and Revenue Department, available at:

<http://www.tax.newmexico.gov/uploads/files/Tax%20Holiday%20Item%20List%2003-14.pdf>

²² S.B. 264, Laws 2015

²³ *Sales Tax Holiday FAQ's*, published by the Ohio Department of Taxation, available at:

http://www.tax.ohio.gov/sales_and_use/salestaxholiday/holidayfaq.aspx

²⁴ Okla. Stat. § 1357.10

²⁵ *Oklahoma Sales Tax Holiday Questions*, as published by the Oklahoma Tax Commission, available at:

<http://www.ok.gov/tax/faqs.html#c412>

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State	Qualifying Items	Sales Tax Holiday Dates
Tennessee ^{27 28}	<ul style="list-style-type: none">• Clothing and footwear with a sales price of \$100 or less per item• School and art supplies with a sales price of \$100 or less per item• Computers with a sales price of \$1,500 or less; the exemption includes laptops and tablets	July 29 – 31, 2016
Texas ^{29 30}	<ul style="list-style-type: none">• Clothing and footwear with a sales price of less than \$100 per item• School supplies with a sales price of less than \$100 per item	August 5 – 7, 2016
Virginia ^{31 32}	<ul style="list-style-type: none">• Clothing and footwear with a sales price of \$100 or less per item• School supplies with a sales price of \$20 or less per item	August 5 – 7, 2016

Contacts

If you have questions regarding back-to-school sales tax holidays and their applicability to specific items or tax rate, please contact any of the following Deloitte Tax professionals.

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²⁶ South Carolina Information Letter 16-6; <https://dor.sc.gov/resources-site/lawandpolicy/Advisory%20Opinions/IL16-6.pdf>

²⁷ Ten. Code Ann. § 67-6-393

²⁸ Tennessee’s Sales Tax Holiday, as published by the Tennessee Department of Revenue, available at: <http://tn.gov/revenue/article/sales-tax-holiday>

²⁹ 34 Tex. Admin. Code § 3.365(b)

³⁰ Texas Publication 98-490 – Sales Tax Holiday, as published by the Texas Comptroller of Public Accounts, available at: <http://comptroller.texas.gov/taxinfo/taxpubs/taxholiday/d/>

³¹ Va. Ruling of Commissioner, P.D. 15-149 – Sales and Use – Taxability of persons and transactions – Sales Tax Holidays – Guidelines for combined tax holiday.

³² Lists of Exempt School Supplies and Exempt Clothing and Footwear, as published by the Virginia Department of Taxation, available at:

<http://www.tax.virginia.gov/sites/tax.virginia.gov/files/LIST%20OF%20QUALIFYING%20SCHOOL%20SUPPLIES%20AND%20CLOTHING.pdf>

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