SENATE BILL NO. 11

92ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR KINDER.

Pre-filed December 1, 2002, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

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AN ACT

To amend chapter 144, RSMo, by adding thereto one new section relating to a temporary exemption from state and local sales and use tax on retail sales of clothing, school supplies and personal computers before the start of the school year, with an emergency clause and a termination date.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 144, RSMo, is amended by adding thereto one new section, to be known as section 144.049, to read as follows:

144.049. 1. For purposes of this section, the following terms mean:

(1) "Clothing", any article of wearing apparel, including footwear, intended to be worn on or about the human body. The term shall include but not be limited to cloth and other material used to make school uniforms or other school clothing. The term shall not include watches, watchbands, jewelry, handbags, handkerchiefs, umbrellas, scarves, ties, headbands, or belt buckles; and

(2) "Personal computers", a laptop, desktop or tower computer system which consists of a central processing unit, random access memory, a storage drive, a display monitor, and a keyboard and devices designed for use in conjunction with a personal computer, such as a disk drive, memory module, compact disk drive, daughterboard, digitalizer, microphone, modem, motherboard, mouse, multimedia speaker, printer, scanner, single-user hardware, single-user operating system, soundcard, or video card;

(3) "School supplies", any item normally used by students in a standard classroom for educational purposes, including but not limited to, textbooks,

notebooks, paper, writing instruments, crayons, art supplies, rulers, book bags, back packs, handheld calculators, chalk, maps, and globes. The term shall not include watches, radios, CD players, headphones, sporting equipment, portable or desktop computers, portable or desktop telephones, copiers, or other office equipment, furniture, or fixtures.

2. There is hereby specifically exempted from the provisions of the state and local sales tax law as defined in section 32.085, RSMo, section 67.1545, RSMo, section 65.1712, RSMo, sections 70.500 to 70.510, RSMo, section 94.413, RSMo, sections 94.577 to 94.1010, RSMo, sections 144.010 to 144.525, sections 144.600 to 144.745, sections 190.335 to 190.337, RSMo, section 238.235, RSMo, section 238.410, RSMo, section 321.242, RSMo, section 321.246, RSMo, and sections 644.032 to 644.033, RSMo, and from the computation of the tax levied, assessed or payable pursuant to the state and local sales tax law as defined in section 32.085, RSMo, section 67.1545, RSMo, section 65.1712, RSMo, sections 70.500 to 70.510, RSMo, section 94.413, RSMo, sections 94.577 to 94.1010, RSMo, sections 144.010 to 144.525, sections 144.600 to 144.745, sections 190.335 to 190.337, RSMo, section 238.235, RSMo, section 238.410, RSMo, section 321.242, RSMo, section 321.246, RSMo, and sections 644.032 to 644.033, RSMo, all retail sales of any article of clothing having a taxable value of one hundred dollars or less, all retail sales of school supplies not to exceed fifty dollars per purchase, and all retail sales of personal computers or computer peripheral devices not to exceed two thousand dollars, during the two three-day periods beginning at 12:01 a.m. on the first Friday in August and ending at midnight on the Sunday following, and beginning at 12:01 a.m. on the second Friday in August and ending at midnight on the Sunday following.

3. Any local sales tax revenue lost in calendar year 2003 due to implementation of the sales tax holiday defined in this section shall be reimbursed by the state and every local political subdivision shall be held harmless.

4. Beginning January 1, 2004, the governing body of any political subdivision may adopt an ordinance to prohibit the provisions of this section from exempting sales that occur within the political subdivision from being subject to the local sales taxes applicable to sales within the political subdivision. Upon adoption of such an ordinance, the governing body of the political subdivision shall provide written notice to the department of revenue of the substance of the ordinance. In the event such notification is not received by the department of revenue prior to the first day of May in any given year, the ordinance shall not go into effect prior to the first day of September in the year the notice is received.

5. There is hereby established a "Sales Tax Holiday Joint Legislative Committee" which shall be composed of eight members appointed as follows: four

members of the senate, two from each of the major political parties, shall be appointed by the president pro tem of the senate; and four members of the house of representatives, two from each of the major political parties, shall be appointed by the speaker of the house. The committee members shall elect a chair from among their membership. The committee shall study and review the effects of the sales tax holiday defined in this section and shall issue a report to the general assembly on or before January 8, 2005, setting forth in detail the committee's findings and recommendations.

6. The provisions of this section shall expire July 1, 2005.

7. This act shall become law on condition that a pay adjustment for all state employee's shall be appropriated and paid in the amount of $900.00 minimum for each employee; otherwise, this act shall be null and void.

Section B. Because immediate action is necessary to prevent the imposition of sales tax on retail sales of clothing, school supplies and personal computers, the enactment of section 144.049 is deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the enactment of section 144.049 shall be in full force and effect July 1, 2003, or upon its passage and approval, whichever later occurs.

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