

FIRST REGULAR SESSION

SENATE BILL NO. 304

92ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR JACOB.

Read 1st time January 21, 2003, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

0057S.011

AN ACT

To amend chapter 144, RSMo, by adding thereto one new section relating to a temporary exemption from state and local sales tax on retail sales of clothing and school supplies before the start of the school year, with an emergency clause and an expiration 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 not include watches, watchbands, jewelry, handbags, handkerchiefs, umbrellas, scarves, ties, headbands, or belt buckles; and

(2) "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, 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, and all retail sales of school supplies not to exceed fifty dollars in the aggregate, during the nine-day period beginning at 12:01 a.m. on the first Saturday in August and ending at 11:59 p.m. on the second 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.

Section B. Because immediate action is necessary to prevent the imposition of sales tax on retail sales of clothing, 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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