

Senator Luann Ridgeway – Serving Clay County

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## Home Improvement (Appliances) Tax Savings The Clock is Ticking!

If you are thinking about replacing some appliances in your home, now is the time for you to make the purchase and save on taxes.

The Show-Me Green Sales Tax Holiday was passed last year. This is the first year that consumers can take advantage of the sales tax relief. It exempts any purchases of "Energy Star" appliances from state sales tax – a savings of 4.225 percent. However, the holiday only runs through April 25, which is this coming Saturday.

Energy Star is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy. The program allows manufacturers of appliances to voluntarily use the label on selected appliances meeting certain criteria. The label promotes specific appliances that perform as well as or better than similar appliances while using less energy.

The Missouri Department of Natural Resources says that Energy Star-certified appliances could save families in the state about a third on their energy bills.

If you buy certain appliances between now and the close of business on April 25, you don't have to pay state sales tax on the purchase. Plus, if the city or county where you purchase the appliance has chosen to participate in the tax holiday, you could save local taxes as well.

Energy Star-certified appliances that qualify for the sales tax exemption include: clothes washers, refrigerators, freezers, dishwashers, water heaters, furnaces, air conditioners and heat pumps. The sales tax exemption only applies to the first \$1,500 on each appliance. If an appliance costs more than \$1,500, the regular sales tax rate will be in effect for any of the purchase price above \$1,500.

Examples of appliances that do not qualify for the tax holiday includes clothes dryers, trash

compactors, conventional ovens, ranges and stoves because they do not qualify for an Energy Star rating. Lighting fixtures, office equipment, home electronics, and other non-appliance energy Star labeled-products are also not eligible for the sales tax exemption. However, some of these appliances may be exempt from sales tax in the fall due to the fall sales tax exemption on education-related equipment. If you want more details on the fall sales tax exemption, just let me know.

Some consumers might be able to save additional dollars from local entities participating in the holiday. In the Northland, participating cities include: Gladstone, Kansas City and Platte City. Participating districts include the Antioch Center Community Improvement District (CID) in Kansas City.

Additional information regarding the Show-Me Green Sales Tax Holiday can be obtained at <a href="http://dor.mo.gov/tax/business/sales/taxholiday/green/">http://dor.mo.gov/tax/business/sales/taxholiday/green/</a>

As always, I appreciate hearing your comments, opinions and concerns. Please feel free to contact me in Jefferson City at (573) 751-2547. You may write to me at Senator Luann Ridgeway; Missouri Senate; State Capitol; Jefferson City, MO 65101, or email me at: <u>luann.ridgeway@senate.mo.gov</u>

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## **Contact Information**

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