

Senator Luann Ridgeway - Serving Clay County

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Sales Tax Holiday - This Weekend Tax Holiday Saves You Money

Missouri continues to go against the tidal wave of talk coming from Washington D. C. of raising your taxes. In clear contrast to what's going on with Congress and the President, I, along with others in your state government, not only refuse to raise your taxes, but continue to implement **tax cuts** to help you through our struggling economy. I continue to believe that our emphasis on keeping more money in your pocket is a large part of the reason that Missouri's budget is in far better shape than most other states in the nation. The sales tax holiday coming this weekend is yet another example of our commitment to you, the taxpayers, to keep taxes low.

As you know, another school year is about to begin. For students, this means starting the year with the fresh supplies they need. For parents, this translates into extra expenses that may cause an added financial burden in already tough times. However, thanks to legislation passed in 2005 that we continue to implement, the state of Missouri—and many cities and counties across the state—is waiving sales tax on certain purchases during Missouri's annual Back-to-School Sales Tax Holiday for families getting ready for school. Parents and students who take advantage of this tax break will find that many of the items they need to be prepared for the school year qualify for the tax exemption. The tax waiver applies to the following back-to-school purchases:

- Clothing any article (including footwear) having a taxable value of \$100 or less.
- School supplies not to exceed \$50 per purchase.
- Computer software taxable value of \$350 or less.

- Personal computers not to exceed \$3,500.
- Computer peripheral devices not to exceed \$3,500.

The savings can be significant. If a family with three children spends around \$400 on new shoes, clothing, backpacks and school supplies, they could save more than \$35 by purchasing these items during the sales tax holiday. For college students, a common purchase is a new computer. By buying one this weekend, they could save as much as \$315 on a \$3,500 machine. I encourage anyone anticipating making back-to-school purchases or planning to invest in a personal computer to take advantage of the savings available during the holiday.

Although some cities and counties chose not to exempt their local taxes during the 2008 holiday, past tax holidays have proven a success for participating communities. According to the Missouri Chamber of Commerce, sales tax revenue "losses" were made up by retail sales of non-exempt merchandise, restaurant and gasoline sales, and the additional revenue created by people crossing into the state to take advantage of the tax exemption.

Clay County <u>is</u> participating in the sales tax holiday, as are the cities of Liberty, Gladstone and Kearney, allowing area shoppers to receive the maximum tax break. For an exact listing of cities and counties participating in the sales tax holiday and for more information about qualifying items, visit <u>www.dor.mo.gov</u> or call the Department of Revenue at (573) 751-2836.

It's essential for students who go to school to be prepared to participate, study and learn. By offering a tax break for purchasing back-to-school items, we hope families will take advantage of this opportunity to save a little money as they prepare their students for the upcoming school year. I'm proud that Missouri is helping to alleviate the financial burden while stimulating business sales for our communities during the sales tax holiday.

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