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A Back-to-School Tax Break for Consumers

Missouri's Sales Tax Holiday — Aug. 6th through 8th

With August just around the corner, thoughts of the upcoming school year begin to replace thoughts of swimming pools and vacations. Students will soon begin to report to class with supplies in tow, and families will once again get the chance to save up to 9 percent at the cash register this year. Thanks to legislation passed in 2005, the three-day back-to-school sales tax holiday is now an annual fixture, and is set for August 6 – 8 this year. The sales tax holiday allows you to save on anything from new school clothes to notebooks and pens.

Beginning at 12:01 a.m. on Friday, August 6th, and ending the following Sunday, August 8th, at midnight, back-to-school supplies will be exempted from state sales tax. Back-to-school supplies, which are usually taxed by the state at 4.225 percent, include clothes, school supplies, and computers and their



accessories. Local governments have the option of participating in the holiday by rescinding their city or county sales taxes. Depending on where you plan to shop, savings during the weekend could be as high as 9 percent.

The tax waiver applies to the following purchases:

- **Clothing** – any article (including footwear) having a taxable value of \$100 or less.
- **School supplies** – any item normally used by students in classrooms, not to exceed \$50 per purchase.
- **Computer software** – software with a taxable value of \$350 or less.
- **Personal computers** – laptop, desktops, or tower computer systems not to exceed \$3,500.
- **Computer peripheral devices** – devices designed for use with computers (disk drives, modems, etc.) not to exceed \$3,500.

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



Although some cities and counties have chosen not to exempt their local taxes during the 2009 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.

In Southeast Missouri, Cape Girardeau, Madison, Mississippi, Perry and Scott counties are all going to waive county sales tax this year during the sales tax holiday. Sales on exempt items in cities, such as Benton, Charleston, Fredericktown, Jackson, Perryville, and Sikeston, will be waived of city sales tax. For an exact listing of the cities and counties participating in the holiday, visit <http://dor.mo.gov/tax/business/sales/taxholiday/school/> or call the Sales/Use Tax Department at the Department of Revenue at (573) 751-2836.

Making sure our children are prepared for a new school year can be draining on the resources of families, and I’m proud that Missouri is helping to alleviate the financial burden while stimulating business sales for our communities during the sales tax holiday. I encourage everyone to mark their calendars for Aug. 6 – 8.

Contact Me

As always, I appreciate hearing your comments, opinions, and concerns. Please feel free to contact me in Jefferson City at (573) 751-2459. You may write to me at Jason Crowell; Missouri Senate; State Capitol; Jefferson City, MO 65101, or email me at: jcrowell@senate.mo.gov or visit me on the web at <http://www.senate.mo.gov/crowell>.

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