

HOUSE BILL No. 1156

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5.

Synopsis: Sales tax holiday. Defines "clothing" and "backpack", and incorporates the definition of "school supply" as set forth in the Streamlined Sales and Use Tax Agreement for purposes of the sales and use tax exemption period. Provides a sales and use tax exemption period beginning on August 1 through August 7 of each year for the following items: (1) Certain articles of clothing, if the sales price of the article of clothing does not exceed \$100. (2) A backpack or school supply, if the backpack or school supply is purchased for use by a student in a public or private elementary or secondary school, and if the sales price of the backpack or school supply does not exceed \$100. Provides that a retailer is not required to obtain an exemption certificate stating that backpacks or school supplies are purchased for use by students in a public or private elementary or secondary school unless they are being purchased in a quantity that indicates otherwise.

Effective: July 1, 2020.

Campbell

January 8, 2020, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 121st General Assembly (2020)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2019 Regular Session of the General Assembly.

HOUSE BILL No. 1156



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-2.5-5-55 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2020]: **Sec. 55. (a) As used in this section, "clothing" means all**
- 4 **human wearing apparel suitable for general use, including the**
- 5 **following:**
- 6 (1) **Aprons (household).**
- 7 (2) **Athletic socks.**
- 8 (3) **Baby bibs.**
- 9 (4) **Baby clothes.**
- 10 (5) **Baseball jerseys.**
- 11 (6) **Belts with attached buckles.**
- 12 (7) **Blouses.**
- 13 (8) **Boots (general purpose, cowboy, hiking).**
- 14 (9) **Bow ties.**
- 15 (10) **Bowling shirts.**
- 16 (11) **Bras.**
- 17 (12) **Camp clothes.**



- 1 (13) Caps (baseball, fishing, golf).
- 2 (14) Chef uniforms.
- 3 (15) Children's novelty costumes.
- 4 (16) Clerical vestments.
- 5 (17) Coats and wraps.
- 6 (18) Coveralls.
- 7 (19) Diapers (adult, baby, cloth and disposable).
- 8 (20) Dresses.
- 9 (21) Earmuffs (cold weather).
- 10 (22) Employee uniforms (unless rented).
- 11 (23) Football jerseys.
- 12 (24) Gloves (generally, dress, leather).
- 13 (25) Golf accessories (golf dresses, golf jackets and
- 14 windbreakers, golf shirts, golf skirts).
- 15 (26) Graduation caps and gowns.
- 16 (27) Gym suits and uniforms.
- 17 (28) Hats.
- 18 (29) Hooded shirts and hooded sweatshirts.
- 19 (30) Hosiery including support hosiery.
- 20 (31) Jackets.
- 21 (32) Jeans.
- 22 (33) Jogging apparel.
- 23 (34) Knitted caps or hats.
- 24 (35) Leg warmers.
- 25 (36) Leotards and tights.
- 26 (37) Masks and costumes.
- 27 (38) Neckwear, neckties, and ties.
- 28 (39) Painter pants.
- 29 (40) Pants.
- 30 (41) Panty hose.
- 31 (42) Raincoats and ponchos.
- 32 (43) Rain hats.
- 33 (44) Religious clothing.
- 34 (45) Robes.
- 35 (46) Safety shoes (adaptable for street wear).
- 36 (47) Scarves.
- 37 (48) Scout uniforms.
- 38 (49) Shawls and wraps.
- 39 (50) Shirts.
- 40 (51) Shirts (hooded).
- 41 (52) Shoes (generally, boat, cross trainers, dress, flip flops,
- 42 jellies, no cleat running, suitable for everyday safety, sandals,



- 1 slippers, sneakers, tennis, walking).
 2 (53) Shorts.
 3 (54) Skirts.
 4 (55) Sleepwear, nightgowns, nightshirts, pajamas.
 5 (56) Slips.
 6 (57) Soccer socks.
 7 (58) Socks.
 8 (59) Suits, slacks, jackets.
 9 (60) Support hosiery.
 10 (61) Suspenders.
 11 (62) Sweatshirts.
 12 (63) Sweat suits.
 13 (64) Sweaters.
 14 (65) Swimming suits.
 15 (66) Tennis accessories (tennis dresses, tennis shorts, tennis
 16 skirts).
 17 (67) Tights.
 18 (68) Trousers.
 19 (69) Underclothes.
 20 (70) Underpants.
 21 (71) Undershirts.
 22 (72) Uniforms (school, work, nurse, waitress, military, postal,
 23 police, fire).
 24 (73) Vests (generally, noninflatable/nonflotation fishing,
 25 hunting).
 26 (74) Work clothes.
 27 (75) Work uniforms.
 28 (76) Workout clothes.
 29 (b) For purposes of this section, "clothing" does not include the
 30 following:
 31 (1) Accessories (generally, barrettes, belt buckles sold
 32 separately, bobby pins, briefcases, elastic ponytail holders,
 33 hair bows, hair clips, handbags, handkerchiefs, headbands,
 34 jewelry, key cases, purses, wallets, watch bands, watches).
 35 (2) Alterations.
 36 (3) Aprons (welders).
 37 (4) Backpacks (unless for use by elementary/secondary
 38 students).
 39 (5) Baseball accessories (cleats, gloves, or pants).
 40 (6) Bathing caps.
 41 (7) Belts for weight lifting.
 42 (8) Bicycle shoes (cleated).



- 1 (9) Boots (cleated or spiked climbing, fishing, overshoes and
- 2 galoshes, rubber work boots, ski, waders).
- 3 (10) Bowling shoes (rented and sold).
- 4 (11) Buttons and zippers.
- 5 (12) Chest protectors.
- 6 (13) Cloth and lace, knitting yarns, and other fabrics.
- 7 (14) Clothing repair items such as thread, buttons, tapes, and
- 8 iron on patches.
- 9 (15) Corsages and boutonnières.
- 10 (16) Dry cleaning services.
- 11 (17) Earmuffs (noise cancellation or noise canceling).
- 12 (18) Elbow pads.
- 13 (19) Embroidery.
- 14 (20) Fabrics, thread, buttons, lace, patterns, knitting yarns.
- 15 (21) Fins (swim).
- 16 (22) Football accessories (pads, pants).
- 17 (23) Gloves (batting, bicycle, garden, hockey, rubber, surgical,
- 18 tennis, work).
- 19 (24) Goggles.
- 20 (25) Golf accessories (gloves, purses, shoes).
- 21 (26) Hair nets, bows, and clips.
- 22 (27) Hard hats.
- 23 (28) Helmets (bike, baseball, football, hockey, motorcycle,
- 24 sports).
- 25 (29) Insoles.
- 26 (30) Jewelry.
- 27 (31) Knee pads.
- 28 (32) Laundering services.
- 29 (33) Life jackets and vests.
- 30 (34) Luggage.
- 31 (35) Mask (protective, welder, umpire, swim).
- 32 (36) Monogramming services.
- 33 (37) Overshoes and rubber shoes.
- 34 (38) Pads (football, hockey, soccer, elbow, knee, shoulder).
- 35 (39) Paint or dust respirators and incidental supplies.
- 36 (40) Patterns.
- 37 (41) Personal flotation devices.
- 38 (42) Pocket squares.
- 39 (43) Protective gloves.
- 40 (44) Protective masks.
- 41 (45) Rented clothing or footwear (including uniforms,
- 42 formalwear, and costumes).



- 1 (46) Repair clothing or footwear.
 2 (47) Ribbons.
 3 (48) Roller blades.
 4 (49) Roller skates.
 5 (50) Safety accessories (clothing normally worn in hazardous
 6 occupations, nonprescription glasses, nonadaptable for street
 7 wear shoes).
 8 (51) Sewing patterns.
 9 (52) Shin guards and padding.
 10 (53) Shoe inserts.
 11 (54) Shoelaces.
 12 (55) Shoes (ballet, baseball cleats, cleated bicycle, bowling,
 13 cleated or spiked, fishing boots/waders, football, golf, jazz and
 14 dance, overshoes, cleated soccer, tap dance, track and cleats,
 15 wading/water sport).
 16 (56) Shoe shines.
 17 (57) Shoe repairs.
 18 (58) Shoulder pads (for dresses, jackets, etc.).
 19 (59) Shoulder pads (football, hockey, sports).
 20 (60) Shower caps.
 21 (61) Skates (ice and roller).
 22 (62) Ski boots (snow).
 23 (63) Ski suits (snow).
 24 (64) Ski vests (snow).
 25 (65) Sports helmets.
 26 (66) Sports pads (football, hockey, soccer, knee, elbow,
 27 shoulder).
 28 (67) Sunglasses (except prescription).
 29 (68) Sweatbands (arm, wrist, head).
 30 (69) Swimming masks and goggles.
 31 (70) Track shoes and cleats.
 32 (71) Umbrellas.
 33 (72) Vests (bulletproof, flotation, scuba, water ski).
 34 (73) Water ski vests.
 35 (74) Wet and dry suits.
 36 (75) Wrist bands.
 37 (c) The sale of an article of clothing is exempt from the state
 38 gross retail tax if:
 39 (1) the sales price of the article does not exceed one hundred
 40 dollars (\$100); and
 41 (2) the sale takes place during the period:
 42 (A) beginning at 12:01 a.m. on August 1; and



- 1 **(B) ending at 11:59 p.m. on August 7;**
2 **of each year.**
- 3 SECTION 2. IC 6-2.5-5-56 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2020]: **Sec. 56. (a) As used in this section, "backpack" means a**
6 **messenger bag, book bag, or a pack with straps that a person wears**
7 **on the person's back, including a backpack with wheels if the**
8 **backpack can also be worn on the back. The term does not include**
9 **an item that is commonly considered luggage, a briefcase, an**
10 **athletic bag, a duffle bag, a gym bag, a computer bag, a purse, or**
11 **a framed backpack.**
- 12 **(b) As used in this section, "school supply" has the meaning set**
13 **forth in the Streamlined Sales and Use Tax Agreement.**
- 14 **(c) The sale of a backpack or a school supply is exempt from the**
15 **state gross retail tax if the backpack or school supply is purchased:**
16 **(1) for use by a student in a public or private elementary or**
17 **secondary school;**
18 **(2) for a sales price that does not exceed one hundred dollars**
19 **(\$100); and**
20 **(3) during the period described in section 55(c)(2) of this**
21 **chapter.**
- 22 **(d) A retailer is not required to obtain an exemption certificate**
23 **stating that backpacks or school supplies are purchased for use by**
24 **students in a public or private elementary or secondary school**
25 **unless the backpacks or school supplies are purchased in a quantity**
26 **that indicates that the backpacks or school supplies are not**
27 **purchased for use by students in a public or private elementary or**
28 **secondary school.**

