

# HOUSE BILL No. 1237

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-2.5-5.5.

**Synopsis:** Sales tax holiday. Defines "clothing", "backpack", "school supply", and "computer". Provides a sales and use tax exemption period beginning on August 1 through August 7 of each year for the following items: (1) 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. (2) Certain articles of clothing, if the sales price of the article of clothing does not exceed \$100. (3) A computer, if the computer is purchased for use by a student in a public or private elementary or secondary school, and if the sales price of the computer does not exceed \$500.

**Effective:** July 1, 2023.

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January 10, 2023, read first time and referred to Committee on Ways and Means.

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First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

# HOUSE BILL No. 1237



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 6-2.5-5.5 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2023]:
- 4 **Chapter 5.5. Sales Tax Holiday**
- 5 **Sec. 1. (a) As used in this chapter, "backpack" means the**
- 6 **following:**
- 7 **(1) Messenger bags.**
- 8 **(2) Book bags.**
- 9 **(3) Packs with straps that a person wears on the person's**
- 10 **back, including a backpack with wheels if the backpack can**
- 11 **also be worn on the back.**
- 12 **(b) For purposes of this chapter, "backpack" does not include**
- 13 **the following:**
- 14 **(1) Items commonly considered luggage.**
- 15 **(2) Briefcases.**
- 16 **(3) Athletic bags.**
- 17 **(4) Duffel bags.**



- 1           (5) Gym bags.  
 2           (6) Computer bags.  
 3           **Sec. 2. The sale of a backpack is exempt from the state gross**  
 4 **retail tax if:**  
 5           (1) the backpack is purchased for use by a student in a public  
 6           or private elementary or secondary school;  
 7           (2) the sales price of the article does not exceed one hundred  
 8           dollars (\$100); and  
 9           (3) the sale takes place during the period:  
 10           (A) beginning at 12:01 a.m. on August 1; and  
 11           (B) ending at 11:59 p.m. on August 7;  
 12           of each year.  
 13           **Sec. 3. (a) As used in this chapter, "clothing" means all human**  
 14 **wearing apparel suitable for general use, including the following:**  
 15           (1) Aprons (household).  
 16           (2) Athletic socks.  
 17           (3) Baseball jerseys.  
 18           (4) Belts with attached buckles.  
 19           (5) Blouses.  
 20           (6) Boots (general purpose, cowboy, hiking).  
 21           (7) Bow ties.  
 22           (8) Bowling shirts.  
 23           (9) Bras.  
 24           (10) Chef uniforms.  
 25           (11) Children's novelty costumes.  
 26           (12) Clerical vestments.  
 27           (13) Coats and wraps.  
 28           (14) Coveralls.  
 29           (15) Diapers (adult and baby, cloth and disposable).  
 30           (16) Dresses.  
 31           (17) Earmuffs (cold weather).  
 32           (18) Employee uniforms (unless rented).  
 33           (19) Football jerseys.  
 34           (20) Gloves (generally, dress, leather).  
 35           (21) Golf accessories (golf dresses, golf jackets and  
 36           windbreakers, golf shirts, golf skirts).  
 37           (22) Graduation caps and gowns.  
 38           (23) Gym suits and uniforms.  
 39           (24) Hats.  
 40           (25) Hooded shirts and hooded sweatshirts.  
 41           (26) Hosiery including support hosiery.  
 42           (27) Jackets.



- 1           **(28) Jeans.**
- 2           **(29) Jogging apparel.**
- 3           **(30) Knitted caps or hats.**
- 4           **(31) Leg warmers.**
- 5           **(32) Leotards and tights.**
- 6           **(33) Masks and costumes.**
- 7           **(34) Neckwear, neckties, and ties.**
- 8           **(35) Painter pants.**
- 9           **(36) Pants.**
- 10          **(37) Panty hose.**
- 11          **(38) Raincoats and ponchos.**
- 12          **(39) Rain hats.**
- 13          **(40) Religious clothing.**
- 14          **(41) Robes.**
- 15          **(42) Safety shoes (adaptable for street wear).**
- 16          **(43) Scarves.**
- 17          **(44) Scout uniforms.**
- 18          **(45) Shawls and wraps.**
- 19          **(46) Shirts.**
- 20          **(47) Shirts (hooded).**
- 21          **(48) Shoes (generally, boat, cross trainers, dress, flip flops,**  
22          **jellies, no cleat running, suitable for everyday safety, sandals,**  
23          **slippers, sneakers, tennis, walking).**
- 24          **(49) Shorts.**
- 25          **(50) Skirts.**
- 26          **(51) Sleepwear, nightgowns, nightshirts, and pajamas.**
- 27          **(52) Slips.**
- 28          **(53) Soccer socks.**
- 29          **(54) Socks.**
- 30          **(55) Suits, slacks, and jackets.**
- 31          **(56) Support hosiery.**
- 32          **(57) Suspenders.**
- 33          **(58) Sweatshirts.**
- 34          **(59) Sweat suits.**
- 35          **(60) Sweaters.**
- 36          **(61) Swimming suits.**
- 37          **(62) Tennis accessories (tennis dresses, tennis shorts, tennis**  
38          **skirts).**
- 39          **(63) Tights.**
- 40          **(64) Trousers.**
- 41          **(65) Underclothes.**
- 42          **(66) Underpants.**



- 1           **(67) Undershirts.**  
 2           **(68) Uniforms (school, work, nurse, waitress, military, postal,**  
 3           **police, fire).**  
 4           **(69) Vests (generally, noninflatable/nonflotation fishing,**  
 5           **hunting).**  
 6           **(70) Work clothes.**  
 7           **(71) Work uniforms.**  
 8           **(72) Workout clothes.**  
 9           **(b) For purposes of this chapter, "clothing" does not include the**  
 10          **following:**  
 11           **(1) Accessories (generally, barrettes, belt buckles sold**  
 12           **separately, bobby pins, briefcases, elastic ponytail holders,**  
 13           **hair bows, hair clips, handbags, handkerchiefs, headbands,**  
 14           **jewelry, key cases, purses, wallets, watch bands, watches).**  
 15           **(2) Alterations.**  
 16           **(3) Aprons (welders).**  
 17           **(4) Backpacks (unless for use by elementary/secondary**  
 18           **students).**  
 19           **(5) Baseball accessories (cleats, gloves, or pants).**  
 20           **(6) Bathing caps.**  
 21           **(7) Belts for weight lifting.**  
 22           **(8) Bicycle shoes (cleated).**  
 23           **(9) Boots (cleated or spiked climbing, fishing, overshoes and**  
 24           **galoshes, rubber work boots, ski, waders).**  
 25           **(10) Bowling shoes (rented and sold).**  
 26           **(11) Buttons and zippers.**  
 27           **(12) Chest protectors.**  
 28           **(13) Cloth and lace, knitting yarns, and other fabrics.**  
 29           **(14) Clothing repair items such as thread, buttons, tapes, and**  
 30           **iron-on patches.**  
 31           **(15) Earmuffs (noise cancellation or noise canceling).**  
 32           **(16) Elbow pads.**  
 33           **(17) Fins (swim).**  
 34           **(18) Football accessories (pads, pants).**  
 35           **(19) Gloves (batting, bicycle, garden, hockey, rubber, surgical,**  
 36           **tennis, work).**  
 37           **(20) Goggles.**  
 38           **(21) Golf accessories (gloves, purses, shoes).**  
 39           **(22) Hair nets, bows, and clips.**  
 40           **(23) Hard hats.**  
 41           **(24) Helmets (bike, baseball, football, hockey, motorcycle,**  
 42           **sports).**



- 1           **(25) Insoles.**
- 2           **(26) Jewelry.**
- 3           **(27) Knee pads.**
- 4           **(28) Life jackets and vests.**
- 5           **(29) Masks (protective, welder, umpire, swim).**
- 6           **(30) Monogramming services.**
- 7           **(31) Overshoes and rubber shoes.**
- 8           **(32) Pads (football, hockey, soccer, elbow, knee, shoulder).**
- 9           **(33) Paint or dust respirators and incidental supplies.**
- 10          **(34) Patterns.**
- 11          **(35) Protective gloves.**
- 12          **(36) Protective masks.**
- 13          **(37) Rented clothing or footwear (including uniforms,**  
14          **formalwear, and costumes).**
- 15          **(38) Repair clothing or footwear.**
- 16          **(39) Ribbons.**
- 17          **(40) Safety accessories (clothing normally worn in hazardous**  
18          **occupations, nonprescription glasses, nonadaptable for street**  
19          **wear shoes).**
- 20          **(41) Sewing patterns.**
- 21          **(42) Shin guards and padding.**
- 22          **(43) Shoe inserts.**
- 23          **(44) Shoelaces.**
- 24          **(45) Shoes (ballet, baseball cleats, cleated bicycle, bowling,**  
25          **cleated or spiked, fishing boots/waders, football, golf, jazz and**  
26          **dance, overshoes, cleated soccer, tap dance, track and cleats,**  
27          **wading/water sport).**
- 28          **(46) Shoe repairs.**
- 29          **(47) Shoulder pads (for dresses, jackets).**
- 30          **(48) Shoulder pads (football, hockey, sports).**
- 31          **(49) Shower caps.**
- 32          **(50) Skates (ice and roller).**
- 33          **(51) Ski boots (snow).**
- 34          **(52) Ski suits (snow).**
- 35          **(53) Ski vests (snow).**
- 36          **(54) Sports helmets.**
- 37          **(55) Sports pads (football, hockey, soccer, knee, elbow,**  
38          **shoulder).**
- 39          **(56) Sunglasses (except prescription).**
- 40          **(57) Sweatbands (arm, wrist, head).**
- 41          **(58) Swimming masks and goggles.**
- 42          **(59) Track shoes and cleats.**



- 1           **(60) Umbrellas.**  
 2           **(61) Vests (bulletproof, flotation, scuba).**  
 3           **(62) Water ski vests.**  
 4           **(63) Wet and dry suits.**  
 5           **(64) Wrist bands.**  
 6           **Sec. 4. The sale of an article of clothing is exempt from the state**  
 7 **gross retail tax if:**  
 8           **(1) the sales price of the article does not exceed one hundred**  
 9 **dollars (\$100); and**  
 10          **(2) the sale takes place during the period:**  
 11           **(A) beginning at 12:01 a.m. on August 1; and**  
 12           **(B) ending at 11:59 p.m. on August 7;**  
 13          **of each year.**  
 14          **Sec. 5. (a) As used in this chapter, "computer" means an**  
 15 **electronic device that accepts information in digital or similar form**  
 16 **and manipulates it for a result based on a sequence of instructions.**  
 17 **The term includes laptop computers.**  
 18          **(b) For purposes of this chapter, "computer" does not include**  
 19 **the following:**  
 20           **(1) Video game consoles.**  
 21           **(2) Computer storage media.**  
 22           **(3) Handheld electronic schedulers.**  
 23           **(4) Cellular phones.**  
 24           **(5) Personal digital assistants.**  
 25          **Sec. 6. The sale of a computer is exempt from the state gross**  
 26 **retail tax if:**  
 27           **(1) the computer is purchased for use by a student in a public**  
 28 **or private elementary or secondary school;**  
 29           **(2) the sales price of the article does not exceed five hundred**  
 30 **dollars (\$500); and**  
 31           **(3) the sale takes place during the period:**  
 32           **(A) beginning at 12:01 a.m. on August 1; and**  
 33           **(B) ending at 11:59 p.m. on August 7;**  
 34          **of each year.**  
 35          **Sec. 7. As used in this chapter, "school supply" means:**  
 36           **(1) Binders.**  
 37           **(2) Book bags.**  
 38           **(3) Calculators.**  
 39           **(4) Cellophane tape.**  
 40           **(5) Blackboard chalk.**  
 41           **(6) Compasses.**  
 42           **(7) Composition books.**



- 1           **(8) Crayons.**
- 2           **(9) Erasers.**
- 3           **(10) Folders (expandable, pocket, plastic, and manila).**
- 4           **(11) Glue, paste, and paste sticks.**
- 5           **(12) Highlighters.**
- 6           **(13) Index cards.**
- 7           **(14) Index card boxes.**
- 8           **(15) Legal pads.**
- 9           **(16) Lunch boxes.**
- 10          **(17) Markers.**
- 11          **(18) Notebooks.**
- 12          **(19) Paper (loose leaf ruled notebook paper, copy paper,**  
13          **graph paper, tracing paper, manila paper, colored paper,**  
14          **poster board, and construction paper).**
- 15          **(20) Pencil boxes and other school supply boxes.**
- 16          **(21) Pencil sharpeners.**
- 17          **(22) Pencils.**
- 18          **(23) Pens.**
- 19          **(24) Protractors.**
- 20          **(25) Rulers.**
- 21          **(26) Scissors.**
- 22          **(27) Writing tablets.**
- 23          **Sec. 8. The sale of a school supply is exempt from the state gross**  
24          **retail tax if:**
- 25               **(1) the school supply is purchased for use by a student in a**  
26               **public or private elementary or secondary school;**
- 27               **(2) the sales price of the article does not exceed one hundred**  
28               **dollars (\$100); and**
- 29               **(3) the sale takes place during the period:**
- 30                   **(A) beginning at 12:01 a.m. on August 1; and**
- 31                   **(B) ending at 11:59 p.m. on August 7;**  
32               **of each year.**

