

FIRST REGULAR SESSION

[PERFECTED]

# HOUSE BILL NO. 410

## 98TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE KELLEY.

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D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal section 144.049, RSMo, and to enact in lieu thereof one new section relating to a sales tax holiday for school supplies.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 144.049, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.049, to read as follows:

144.049. 1. For purposes of this section, the following terms mean:

(1) "Clothing", any article of wearing apparel, including footwear, intended to be worn on or about the human body. The term shall include but not be limited to cloth and other material used to make school uniforms or other school clothing. Items normally sold in pairs shall not be separated to qualify for the exemption. The term shall not include watches, watchbands, jewelry, handbags, handkerchiefs, umbrellas, scarves, ties, headbands, or belt buckles; and

(2) "Personal computers", a laptop, desktop, or tower computer system which consists of a central processing unit, random access memory, a storage drive, a display monitor, and a keyboard and devices designed for use in conjunction with a personal computer, such as a disk drive, memory module, compact disk drive, daughterboard, [digitalizer] **digitizer**, microphone, modem, motherboard, mouse, multimedia speaker, printer, scanner, single-user hardware, single-user operating system, soundcard, or video card;

(3) "School supplies", any item normally used by students in a standard classroom for educational purposes, including but not limited to textbooks, notebooks, paper, writing

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 instruments, crayons, art supplies, rulers, book bags, backpacks, handheld calculators, chalk,  
17 maps, and globes. The term shall not include watches, radios, CD players, headphones, sporting  
18 equipment, portable or desktop telephones, copiers or other office equipment, furniture, or  
19 fixtures. School supplies shall also include computer software having a taxable value of three  
20 hundred fifty dollars or less **and any graphing calculator having a taxable value of one**  
21 **hundred fifty dollars or less.**

22         2. In each year beginning on or after January 1, 2005, there is hereby specifically  
23 exempted from state sales tax law all retail sales of any article of clothing having a taxable value  
24 of one hundred dollars or less, all retail sales of school supplies not to exceed fifty dollars per  
25 purchase, all computer software with a taxable value of three hundred fifty dollars or less, **all**  
26 **graphing calculators having a taxable value of one hundred fifty dollars or less**, and all  
27 retail sales of personal computers or computer peripheral devices not to exceed [three] **one**  
28 thousand five hundred dollars, during a three-day period beginning at 12:01 a.m. on the first  
29 Friday in August and ending at midnight on the Sunday following.

30         3. If the governing body of any political subdivision adopted an ordinance that applied  
31 to the 2004 sales tax holiday to prohibit the provisions of this section from allowing the sales tax  
32 holiday to apply to such political subdivision's local sales tax, then, notwithstanding any  
33 provision of a local ordinance to the contrary, the 2005 sales tax holiday shall not apply to such  
34 political subdivision's local sales tax. However, any such political subdivision may enact an  
35 ordinance to allow the 2005 sales tax holiday to apply to its local sales taxes. A political  
36 subdivision must notify the department of revenue not less than forty-five calendar days prior  
37 to the beginning date of the sales tax holiday occurring in that year of any ordinance or order  
38 rescinding an ordinance or order to opt out.

39         4. This section shall not apply to any sales which take place within the Missouri state  
40 fairgrounds.

41         5. This section applies to sales of items bought for personal use only.

42         6. After the 2005 sales tax holiday, any political subdivision may, by adopting an  
43 ordinance or order, choose to prohibit future annual sales tax holidays from applying to its local  
44 sales tax. After opting out, the political subdivision may rescind the ordinance or order. The  
45 political subdivision must notify the department of revenue not less than forty-five calendar days  
46 prior to the beginning date of the sales tax holiday occurring in that year of any ordinance or  
47 order rescinding an ordinance or order to opt out.

48         7. This section may not apply to any retailer when less than two percent of the retailer's  
49 merchandise offered for sale qualifies for the sales tax holiday. The retailer shall offer a sales  
50 tax refund in lieu of the sales tax holiday.

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