

HB 424 -- Sales and Use Tax: Tax Holiday

Co-Sponsors: Sutherland, Avery, Portwood, Bivins, Jetton, Dixon, Hanaway

This bill creates a state and local sales and use tax holiday for certain clothing, personal computers, and school supplies purchased during two three-day periods each August. The state will reimburse any losses incurred by political subdivisions during the sales tax holiday in August 2003. Beginning January 1, 2004, any political subdivision may opt out of the holiday by adoption of a local ordinance. The tax holiday will expire July 1, 2005.

The bill also creates the Sales Tax Holiday Joint Legislative Committee consisting of four members from both the House of Representatives and the Senate. The committee will be responsible to review the effects of the sales tax holiday and to issue a report on its findings and recommendations to the General Assembly prior to January 8, 2005.

The bill contains an emergency clause.