

FIRST REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]  
SENATE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE

# HOUSE BILL NO. 64

## 93RD GENERAL ASSEMBLY

0386S.11T

2005

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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, with an emergency clause.

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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Section A. Section 144.049, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.049, to read as follows: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, microphone, modem, motherboard, mouse, multimedia speaker, printer, scanner, single-user hardware, single-user operating system, soundcard, or video card;

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.

14 (3) "School supplies", any item normally used by students in a standard classroom for  
15 educational purposes, including but not limited to, textbooks, notebooks, paper, writing  
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 [two  
20 hundred] **three hundred fifty** dollars or less.

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

29 3. [Beginning on August 28, 2003, the governing body of any political subdivision may  
30 adopt an ordinance to prohibit the provisions of this section from exempting sales that occur  
31 within the political subdivision from being subject to the local sales taxes applicable to sales  
32 within the political subdivision. Upon adoption of such an ordinance, the governing body of the  
33 political subdivision shall provide written notice to the department of revenue of the substance  
34 of the ordinance. In the event such notification is not received by the department of revenue  
35 prior to the second Friday in July in any given year, the ordinance shall not go into effect prior  
36 to the year the notice is received.] **If the governing body of any political subdivision adopted**  
37 **an ordinance that applied to the 2004 sales tax holiday to prohibit the provisions of this**  
38 **section from allowing the sales tax holiday to apply to such political subdivision's local**  
39 **sales tax, then, notwithstanding any provision of a local ordinance to the contrary, the 2005**  
40 **sales tax holiday shall not apply to such political subdivision's local sales tax. However,**  
41 **any such political subdivision may enact an ordinance to allow the 2005 sales tax holiday**  
42 **to apply to its local sales taxes. A political subdivision must notify the department of**  
43 **revenue not less than forty-five calendar days prior to the beginning date of the sales tax**  
44 **holiday occurring in that year of any ordinance or order rescinding an ordinance or order**  
45 **to opt out.**

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

48 5. [The provisions of this section shall expire July 1, 2005.] **This section applies to**  
49 **sales of items bought for personal use only.**

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

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

Section B. Because immediate action is necessary to prevent the imposition of state sales  
2 tax on retail sales of clothing, school supplies, and personal computers, section A of this act is  
3 deemed necessary for the immediate preservation of the public health, welfare, peace, and safety,  
4 and is hereby declared to be an emergency act within the meaning of the constitution, and section  
5 A of this act shall be in full force and effect upon its passage and approval.

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Speaker of the House

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President Pro Tem of the Senate

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Governor