

FIRST REGULAR SESSION

HOUSE BILL NO. 64

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES SUTHERLAND (Sponsor), RUPP,
SMITH (14) AND SATER (Co-sponsors).

Pre-filed December 3, 2004 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

0386L.011

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.

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Section A. Section 144.049, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.049, to read as follows: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

(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 two
20 hundred 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 dollars or less, and all retail
25 sales of personal computers or computer peripheral devices not to exceed two thousand dollars,
26 during a three-day period beginning at 12:01 a.m. on the second Friday in August and ending at
27 midnight on the Sunday following.

28 **3.** [Beginning on August 28, 2003, the governing body of any political subdivision may
29 adopt an ordinance to prohibit the provisions of this section from exempting sales that occur
30 within the political subdivision from being subject to the local sales taxes applicable to sales
31 within the political subdivision. Upon adoption of such an ordinance, the governing body of the
32 political subdivision shall provide written notice to the department of revenue of the substance
33 of the ordinance. In the event such notification is not received by the department of revenue
34 prior to the second Friday in July in any given year, the ordinance shall not go into effect prior
35 to the year the notice is received.

36 **4.]** This section shall not apply to any sales which take place within the Missouri state
37 fairgrounds.

38 [5. The provisions of this section shall expire July 1, 2005.] **4. Any local sales tax**
39 **revenue lost in any calendar year due to implementation of the sales tax holiday established**
40 **in this section shall be reimbursed by the state and every local political subdivision shall**
41 **be held harmless.**

42 **5. There is hereby established a "Sales Tax Holiday Joint Legislative Committee"**
43 **which shall be composed of eight members appointed as follows: four members of the**
44 **senate, two from each of the major political parties, to be appointed by the president pro**
45 **tem of the senate; and four members of the house of representatives, two from each of the**
46 **major political parties, to be appointed by the speaker of the house of representatives. The**
47 **committee members shall elect a chair from among their membership. The committee shall**
48 **study and review the effects of the sales tax holiday established in this section and shall**
49 **issue a report to the general assembly on or before January eighth of each year, setting**
50 **forth in detail the committee's findings and recommendations.**

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 July 1, 2005, or upon its passage and approval,
6 whichever later occurs.