

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 64
93RD GENERAL ASSEMBLY

Reported from the Committee on Pensions, Veterans' Affairs and General Laws, April 28, 2005, with recommendation that the Senate Committee Substitute do pass.

0386S.09C

TERRY L. SPIELER, Secretary.

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Section A. Section 144.049, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.049, to read as follows: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 instruments, crayons, art supplies, rulers, book bags, backpacks, handheld calculators, chalk, maps, and globes. The term shall not include watches, radios, CD

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 players, headphones, sporting equipment, portable or desktop telephones, copiers or
19 other office equipment, furniture, or fixtures. School supplies shall also include
20 computer software having a taxable value of two hundred dollars or less.

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

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

48 **4. This section shall not apply to any sales which take place within the Missouri**
49 **state fairgrounds.**

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

52 **6. After the 2005 sales tax holiday, any political subdivision may, by**
53 **adopting an ordinance or order, choose to prohibit future annual sales tax**

54 **holidays from applying to its local sales tax. After opting out, the political**
55 **subdivision may rescind the ordinance or order. The political subdivision**
56 **must notify the department of revenue not less than forty-five calendar days**
57 **prior to the beginning date of the sales tax holiday occurring in that year of**
58 **any ordinance or order opting out or rescinding an ordinance or order to opt**
59 **out.**

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

Section B. Because immediate action is necessary to prevent the imposition of
2 state sales tax on retail sales of clothing, school supplies, and personal computers,
3 section A of this act is deemed necessary for the immediate preservation of the public
4 health, welfare, peace, and safety, and is hereby declared to be an emergency act within
5 the meaning of the constitution, and section A of this act shall be in full force and effect
6 July 1, 2005, or upon its passage and approval, whichever later occurs.

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