

SENATE SUBSTITUTE  
FOR  
SENATE COMMITTEE SUBSTITUTE  
FOR  
HOUSE COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 64  
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:

1 Section A. Section 144.049, RSMo, is repealed and one new  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

4 144.049. 1. For purposes of this section, the following  
5 terms mean:

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

14 (2) "Personal computers", a laptop, desktop, or tower

1 computer system which consists of a central processing unit,  
2 random access memory, a storage drive, a display monitor, and a  
3 keyboard and devices designed for use in conjunction with a  
4 personal computer, such as a disk drive, memory module, compact  
5 disk drive, daughterboard, digitalizer, microphone, modem,  
6 motherboard, mouse, multimedia speaker, printer, scanner,  
7 single-user hardware, single-user operating system, soundcard, or  
8 video card;

9 (3) "School supplies", any item normally used by students  
10 in a standard classroom for educational purposes, including but  
11 not limited to, textbooks, notebooks, paper, writing instruments,  
12 crayons, art supplies, rulers, book bags, backpacks, handheld  
13 calculators, chalk, maps, and globes. The term shall not include  
14 watches, radios, CD players, headphones, sporting equipment,  
15 portable or desktop telephones, copiers or other office  
16 equipment, furniture, or fixtures. School supplies shall also  
17 include computer software having a taxable value of [two hundred]  
18 three hundred fifty dollars or less.

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

1 and ending at midnight on the Sunday following.

2 3. [Beginning on August 28, 2003, the governing body of any  
3 political subdivision may adopt an ordinance to prohibit the  
4 provisions of this section from exempting sales that occur within  
5 the political subdivision from being subject to the local sales  
6 taxes applicable to sales within the political subdivision. Upon  
7 adoption of such an ordinance, the governing body of the  
8 political subdivision shall provide written notice to the  
9 department of revenue of the substance of the ordinance. In the  
10 event such notification is not received by the department of  
11 revenue prior to the second Friday in July in any given year, the  
12 ordinance shall not go into effect prior to the year the notice  
13 is received.] If the governing body of any political subdivision  
14 adopted an ordinance that applied to the 2004 sales tax holiday  
15 to prohibit the provisions of this section from allowing the  
16 sales tax holiday to apply to such political subdivision's local  
17 sales tax, then, notwithstanding any provision of a local  
18 ordinance to the contrary, the 2005 sales tax holiday shall not  
19 apply to such political subdivision's local sales tax. However,  
20 any such political subdivision may enact an ordinance to allow  
21 the 2005 sales tax holiday to apply to its local sales taxes. A  
22 political subdivision must notify the department of revenue not  
23 less than forty-five calendar days prior to the beginning date of  
24 the sales tax holiday occurring in that year of any ordinance or  
25 order rescinding an ordinance or order to opt out.

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

28 5. [The provisions of this section shall expire July 1,

1 2005.] This section applies to sales of items bought for  
2 personal use only.

3 6. After the 2005 sales tax holiday, any political  
4 subdivision may, by adopting an ordinance or order, choose to  
5 prohibit future annual sales tax holidays from applying to its  
6 local sales tax. After opting out, the political subdivision may  
7 rescind the ordinance or order. The political subdivision must  
8 notify the department of revenue not less than forty-five  
9 calendar days prior to the beginning date of the sales tax  
10 holiday occurring in that year of any ordinance or order  
11 rescinding an ordinance or order to opt out.

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

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