



Ohio Legislative Service Commission

Bill Analysis

Mackenzie Damon

S.B. 100

131st General Assembly
(As Introduced)

Sens. Brown, Sawyer, Tavares, Thomas, Yuko

BILL SUMMARY

- Authorizes a three-day "sales tax holiday" in April of each year for Energy Star-labeled appliances and heating and cooling equipment.

CONTENT AND OPERATION

Sales tax holiday for Energy Star products

The bill authorizes an annual, three-day "sales tax holiday" for Energy Star-labeled appliances and heating and cooling equipment. The tax holiday, during which sales of the qualifying items are exempt from state and county sales and use taxes, begins on the first Friday in April.

To qualify for exemption, an item must carry the Energy Star label, which indicates that the item meets the energy efficiency criteria of the Energy Star program administered by the U.S. Environmental Protection Agency and Department of Energy. The item must also be categorized as an appliance or as heating or cooling equipment. Under the Energy Star program, "appliances" include washers and dryers, refrigerators, freezers, dishwashers, air purifiers, and dehumidifiers. "Heating or cooling equipment" includes air conditioners, furnaces, boilers, heat pumps, ventilation fans, and ductless heating and cooling systems.¹ The exemption does not apply to items that are rented, purchased for use in a trade or business, or purchased by a person who will install the item for the ultimate consumer.

Under the bill, the purchase of an item falls within the tax holiday period if the purchaser pays for the item during that period and does not request any delay in the

¹ See <http://www.energystar.gov/products/certified-products>.

shipment or delivery of the item. Actual delivery of the item may occur outside of the tax holiday period.

The exemption applies regardless of whether the sale occurs in Ohio or outside Ohio: if the sale occurs in Ohio, the sale is exempt from the sales taxes; if the sale occurs outside Ohio (for example, by mail-order or over the Internet) but the item is used in Ohio, the sale is exempt from the use taxes that would otherwise apply.²

Administration

The bill requires the Tax Commissioner to adopt rules necessary to implement the sales tax exemption, and to provide informational bulletins explaining the exemption to vendors.³

HISTORY

ACTION	DATE
Introduced	03-03-15

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² R.C. 5739.02(B)(54).

³ R.C. 5739.05(A)(2).

