



Ohio Legislative Service Commission

Bill Analysis

Mackenzie Damon

S.B. 264

131st General Assembly
(As Introduced)

Sens. Bacon, Hughes, Jones, Obhof, Patton, Brown, Seitz, Manning, Eklund, Hite, Yuko, Lehner

BILL SUMMARY

- Exempts sales of clothing and school supplies and instructional materials from sales and use taxation during a three-day period in August of each year.

CONTENT AND OPERATION

Sales tax holiday for back-to-school supplies

The bill establishes a three-day period each year during which clothing and school supplies and instructional materials are exempt from state and county sales and use taxes. A similar sales tax holiday was held on August 7, 8, and 9, 2015; however, the legislation creating that tax holiday only authorized it for that year.¹ The bill essentially makes this tax holiday permanent.

Each year, the tax-exempt period begins on the first Friday of August. As with the 2015 tax holiday, the bill's tax exemption applies to each of the following:

(1) Items of clothing up to \$75 each. "Clothing" means all human wearing apparel suitable for general use, but does not include items such as those used in a trade or business, accessories, or sports or protective equipment.

(2) Items of school supplies and instructional materials up to \$20 each. "School supplies" means items commonly used by a student in a course of study and are explicitly listed in the bill, including items such as book bags, crayons, erasers,

¹ Am. Sub. S.B. 243 of the 130th General Assembly.

notebooks, pencils, and pens. "School instructional materials" means reference books, reference maps and globes, textbooks, and workbooks only.

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	01-25-16

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² R.C. 5739.02(B)(54).

³ R.C. 5739.05.

