



S.B. 56

124th General Assembly
(As Introduced)

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BILL SUMMARY

- Establishes a one-week period each year when computer systems sold for nonbusiness use are exempted from the state and local sales and use taxes.
- Applies in 2001, 2002, 2003, and 2004.

CONTENT AND OPERATION

Sales tax "holiday" for computer systems for nonbusiness use

(sec. 5739.029)

Currently, retail sales of computer systems within Ohio are subject to the Ohio sales tax and any applicable county sales tax, as are most other retail sales. And, if a computer system is purchased outside Ohio but brought into Ohio for use here, the sale is subject to the state and county use taxes.

The bill designates a seven-day period each year when sales of personal computer systems are exempted from the sales and use taxes. There would be four such periods running from August 8 to August 15 of 2001, 2002, 2003, and 2004. In order to qualify for the exemption, the computer system must be purchased by an individual for nonbusiness use.

For the purpose of the exemption, a personal computer system includes all computer hardware and software sold together in the same retail transaction. The transaction must comprise at least the following items:

- central processing unit
- random access memory
- storage drive

- display monitor
- keyboard

Separate sales of internal or external components or of add-on components are not exempted. And the following items are not exempted even if they are purchased as part of the same transaction as the exempted items listed above:

- minicomputers
- mainframe computers
- network servers
- local area network hubs
- routers and cabling
- hardware word processors
- personal digital assistants
- graphical calculators
- hand-held computers
- game consoles
- internet television devices
- network operating systems
- multiple-user licensed software and hardware

Rules, information bulletins

(sec. 5739.05(A)(2))

The Tax Commissioner must adopt rules to implement the exemption, and must make informational bulletins available to vendors before each of the four seven-day exemption periods.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02-28-01	p. 173

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