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Bill Analysis
Legislative Service Commission

S.B. 21

125th General Assembly
(As Introduced)

Sens. Coughlin, Jordan

BILL SUMMARY

- Establishes a one-week period each year, beginning August 8, when personal computer systems sold for nonbusiness use are exempted from state and local sales and use taxes.
- Applies in 2003, 2004, 2005, and 2006.

CONTENT AND OPERATION

Sales tax "holiday" for personal computer systems for nonbusiness use

(R.C. 5739.029)

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

The bill designates a seven-day period each year when sales of personal computer systems are exempt from sales or use tax, running from August 8 to August 15 of 2003 through 2006. 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, external, or add-on components are not exempt. And the following items are not exempt, even if they are purchased as part of the same transaction as the exempt 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

(R.C. 5739.05(A)(2))

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

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	01-30-03	p. 94

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