



H.B. 171

126th General Assembly
(As Introduced)

Reps. Chandler, S. Patton, Brown, Sykes, Beatty, Williams, Distel, Perry

BILL SUMMARY

- Exempts sales of clothing and footwear from sales and use taxes for two four-day periods each year, one in January and one in August.
- The first exemption period begins August 4, 2005.

CONTENT AND OPERATION

Sales tax "holiday"

(sec. 5739.02(B)(47))

The bill establishes two four-day periods each year during which sales of clothing and footwear are exempt from state and county sales and use taxes. One tax-exempt period begins on the third Thursday in January and the other tax-exempt period begins on the first Thursday in August.

The sales tax exemption applies to sales of all clothing and footwear "intended to be worn on or about the human body." It specifically does not apply to jewelry, watches, handbags, or umbrellas.

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 clothing or footwear is used in Ohio, the sale is exempt from the use taxes that would otherwise apply.

The first sales tax exemption period is to run from August 4 through 7, 2005.

Administration

(sec. 5739.05(A)(2))

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 (which collect sales and use taxes for the state and counties).

HISTORY

ACTION	DATE	JOURNAL ENTRY
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