

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 64
93RD GENERAL ASSEMBLY

Reported from the Committee on Ways and Means March 15, 2005, with recommendation that the House Committee Substitute for House Bill No. 64 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

0386L.03C

AN ACT

To repeal section 144.049, RSMo, and to enact in lieu thereof one new section relating to a sales tax holiday, with an emergency clause.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 144.049, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.049, to read as follows:

144.049. 1. For purposes of this section, the following terms mean:

(1) "Clothing", any article of wearing apparel, including footwear, intended to be worn on or about the human body. The term shall include but not be limited to cloth and other material used to make school uniforms or other school clothing. Items normally sold in pairs shall not be separated to qualify for the exemption. The term shall not include watches, watchbands, jewelry, handbags, handkerchiefs, umbrellas, scarves, ties, headbands, or belt buckles; and

(2) "Personal computers", a laptop, desktop, or tower computer system which consists of a central processing unit, random access memory, a storage drive, a display monitor, and a keyboard and devices designed for use in conjunction with a personal computer, such as a disk drive, memory module, compact disk drive, daughterboard, digitalizer, microphone, modem, motherboard, mouse, multimedia speaker, printer, scanner, single-user hardware, single-user operating system, soundcard, or video card;

(3) "School supplies", any item normally used by students in a standard classroom for

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 educational purposes, including but not limited to, textbooks, notebooks, paper, writing
16 instruments, crayons, art supplies, rulers, book bags, backpacks, handheld calculators, chalk,
17 maps, and globes. The term shall not include watches, radios, CD players, headphones, sporting
18 equipment, portable or desktop telephones, copiers or other office equipment, furniture, or
19 fixtures. School supplies shall also include computer software having a taxable value of two
20 hundred dollars or less.

21 2. **In each year beginning on or after January 1, 2005**, there is hereby specifically
22 exempted from state sales tax law all retail sales of any article of clothing having a taxable value
23 of one hundred dollars or less, all retail sales of school supplies not to exceed fifty dollars per
24 purchase, all computer software with a taxable value of two hundred dollars or less, and all retail
25 sales of personal computers or computer peripheral devices not to exceed two thousand dollars,
26 during a three-day period beginning at 12:01 a.m. on the [second] **first** Friday in August and
27 ending at midnight on the Sunday following.

28 3. [Beginning on August 28, 2003, the governing body of any political subdivision may
29 adopt an ordinance to prohibit the provisions of this section from exempting sales that occur
30 within the political subdivision from being subject to the local sales taxes applicable to sales
31 within the political subdivision. Upon adoption of such an ordinance, the governing body of the
32 political subdivision shall provide written notice to the department of revenue of the substance
33 of the ordinance. In the event such notification is not received by the department of revenue
34 prior to the second Friday in July in any given year, the ordinance shall not go into effect prior
35 to the year the notice is received.] **If the governing body of any political subdivision adopted
36 an ordinance that applied to the 2004 sales tax holiday to prohibit the provisions of this
37 section from allowing the sales tax holiday to apply to such political subdivision's local
38 sales tax, then, notwithstanding any provision of a local ordinance to the contrary, the 2005
39 sales tax holiday shall not apply to such political subdivision's local sales tax. However,
40 any such political subdivisions may enact an ordinance to allow the 2005 sales tax holiday
41 to apply to its local sales taxes.**

42 4. This section shall not apply to any sales which take place within the Missouri state
43 fairgrounds.

44 [5. The provisions of this section shall expire July 1, 2005.] **After the 2005 sales tax
45 holiday, any political subdivision may, by adopting an order, choose to prohibit future
46 annual sales tax holidays from applying to its local sales tax, however, no such order shall
47 be effective unless the governing body of the county submits to the voters of the political
48 subdivision, at a municipal, general, or primary election or at a special election called for
49 that purpose, a proposal to authorize the governing body not to allow the sales tax holiday
50 to apply to its local sales tax. The ballot of submission shall contain, but not be limited to,**

51 **the following language:**

52 **Shall the (city, town, village, or county) of**
53 **prohibit the annual state sales tax holiday from applying to the (city's, town's, village's, or**
54 **county's) portion of the sales tax?**

55 **Yes** **No**

56

57 **If a majority of the votes cast on the proposal by the qualified voters voting thereon are in**
58 **favor of the proposal, then the order shall be in effect, and shall apply to all future state**
59 **sales tax holidays, unless and until the governing body shall adopt an order to the contrary.**
60 **If a majority of the votes cast by the qualified voters voting are opposed to the proposal,**
61 **then the governing body of the county shall have no power to impose the order unless and**
62 **until the governing body of the county shall again have submitted another proposal to**
63 **authorize the governing body of the county to impose the order, and such proposal is**
64 **approved by a majority of the qualified voters voting thereon.**

Section B. Because immediate action is necessary to prevent the imposition of state sales
2 tax on retail sales of clothing, school supplies, and personal computers, section A of this act is
3 deemed necessary for the immediate preservation of the public health, welfare, peace, and safety,
4 and is hereby declared to be an emergency act within the meaning of the constitution, and section
5 A of this act shall be in full force and effect July 1, 2005, or upon its passage and approval,
6 whichever later occurs.