

FIRST REGULAR SESSION

[CORRECTED]

[PERFECTED]

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).

Reported from the Committee on Rules March 16, 2005 with recommendation that House Committee Substitute for House Bill No. 64 Do Pass with no time limit for debate.

Taken up for Perfection April 5, 2005. House Committee Substitute for House Bill No. 64 ordered Perfected and printed as amended.

STEPHEN S. DAVIS, Chief Clerk

0386L.03P

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Section A. Section 144.049, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.049, to read as follows: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

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.

10 keyboard and devices designed for use in conjunction with a personal computer, such as a disk
11 drive, memory module, compact disk drive, daughterboard, digitalizer, microphone, modem,
12 motherboard, mouse, multimedia speaker, printer, scanner, single-user hardware, single-user
13 operating system, soundcard, or video card;

14 (3) "School supplies", any item normally used by students in a standard classroom for
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 **applies to sales of tangible personal property bought for personal use**
43 **only.**

44 5. **This section** shall not apply to any sales which take place within the Missouri state
45 fairgrounds.

46 [5. The provisions of this section shall expire July 1, 2005.] **After the 2005 sales tax**
47 **holiday, any political subdivision may, by adopting an ordinance or order, choose to**
48 **prohibit future annual sales tax holidays from applying to its local sales tax. After opting**
49 **out the political subdivision may rescind the ordinance or order, provided that such order**
50 **or ordinance shall be enacted not less than 45 calendar days prior to the beginning date of**
51 **the sales tax holiday occurring in that year.**

52 **6. This section may not apply to any retailer when less than two percent of their**
53 **merchandise sold during the sales tax holiday is qualifying items under this section. The**
54 **retailer may offer a sales tax refund in lieu of the sales tax holiday.**

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.