



Ohio Legislative Service Commission

Bill Analysis

Megan Cummiskey

Am. S.B. 243

130th General Assembly
(As Passed by the Senate)

Sens. Bacon, Faber, Hite, Hughes, Jones, Lehner, Obhof, Oelslager, Schaffer

BILL SUMMARY

- Exempts sales of school supplies and instructional materials, clothing, computers, and computer supplies from sales and use taxation during a three-day period in August each year.

CONTENT AND OPERATION

Sales tax holiday

The bill establishes a three-day period each year during which school supplies and instructional materials, clothing, computers, and computer supplies are exempt from state and county sales and use taxes. The tax-exempt period begins on the first Friday of August.

The tax exemption applies to each of the following:

(1) Items of clothing up to \$100 each. "Clothing" does not include accessories or sports or protective equipment.

(2) Items of school supplies and instructional materials up to \$20 each. "School instructional materials" includes reference books, maps and globes, textbooks, and workbooks.

(3) Computers up to \$1,000 each. Electronic book readers and tablets qualify as "computers," but cell phones, video game consoles, and digital media receivers do not.

(4) School computer supplies up to \$750 each. "School computer supplies" includes storage media like compact discs, handheld electronic schedulers and personal digital assistants (but not cell phones), printers, and printer supplies like paper and ink.¹

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 item is used in Ohio, the sale is exempt from the use taxes that would otherwise apply.²

Administration

The bill requires the Tax Commissioner to provide informational bulletins explaining the exemption to vendors.³

HISTORY

ACTION	DATE
Introduced	11-19-13
Reported, S. Ways & Means	02-26-14
Passed Senate (30-2)	02-26-14

S0243-PS-130.docx/ks

¹ The bill's definitions of "clothing," "school supplies," "school instructional materials," "computers," and "school computer supplies" are substantially similar to the definitions of those terms provided in the Streamlined Sales and Use Tax Agreement as amended through October 30, 2013.

² R.C. 5739.02(B)(54).

³ R.C. 5739.05(A)(2).

