OFFICIAL GUIDE TO THE
SALES TAX HOLIDAY

General Information

A Sales Tax Holiday is a temporary period when sales taxes are not collected or paid on purchases of specific products and/or services.

Sales tax is not due during the holiday on clothing, footwear, or school supplies if the sales price of a single item is less than One Hundred Dollars ($100.00).

The 2024 Sales Tax Holiday takes place from Friday, July 12, 2024 to Sunday, July 14, 2024.

Definitions

"Clothing" is any article of apparel designed to be worn on the human body including pants, shirts and blouses, dresses, coats, jackets, belts, hats, undergarments, and multiple piece garments sold as a set.

"Footwear" is any article of apparel for human feet not including skis, swim fins, roller blades, skates, and any similar items.

"School Supplies" means items that are commonly used by a student in a course of study.

Eligible and Non-Eligible Items.

The Sales Tax Holiday will apply to all purchases of clothing, footwear, and school supplies with sales prices of less than $100.00 per article during the Sales Tax Holiday. The Sales Tax Holiday does not apply to sales of any other items not defined as clothing, footwear or school supplies. A list of eligible items is provided in this guide.

Guidelines

$100 Threshold. The Sales Tax Holiday applies to each eligible item selling for less than $100.00, regardless of how many items are sold at the same time.

Items priced at $100.00 or more are subject to sales tax at the regular retail rate of 7%.

For example, a customer purchases two (2) shirts at $50.00 each, a pair of slacks at $75.00, and a pair of shoes at $110.00. No sales tax is due on the sale of the two (2) shirts and the pair of slacks at a cost of $175.00, even though the combined cost exceeds the one hundred dollar ($100) threshold. However, sales tax is due on the entire $110.00 for the shoes since they exceed the one hundred dollar ($100) threshold.

Rentals of Items.

Rentals of clothing, footwear and school supplies do not qualify for the Sales Tax Holiday and are subject to 7% sales tax.

Items Sold as a Unit.

Articles that are normally sold together, such as a pair of shoes or a uniform, must continue to be sold as a set or a single unit. Components of the unit cannot be priced separately and sold as individual items in order to qualify for the holiday.

Components of a unit that are normally priced as separate items, may continue to be sold as separate items and qualify if the price of the article is less than $100.00.

Pairings of Eligible and Non-Eligible Items.

When eligible items are normally sold with non-eligible items as a set or a single unit, the full price is subject to sales tax if the value of the non-eligible (taxable) item exceeds the eligible items.

Buy One, Get One Free or For a Reduced Price.

The total price of items advertised as "buy one, get one free" or "at a reduced price" cannot be averaged to qualify both items for the holiday. The actual price paid for each item sold is used to determine whether the item exceeds the $100.00 threshold.

For example, if a retailer advertises a pair of pants as "buy one, get one half off" with the first pair of pants priced at $120.00 and the second pair half off, then sales tax is due on the first pair priced at $120.00, though the second pair ($60.00) would not be subject to sales tax. Because the store advertised the sale as "buy one, get one half off", the store cannot sell each pair of pants for $90.00 in order for the items to qualify for the holiday.

However, the retailer may advertise and sell each pair of pants at 50% off, selling each pair of $120.00 pants for $60.00, thus making each pair sold eligible for the holiday.

Discounts, Coupons, and Rebates.

Retailers may offer store discounts and store coupons to reduce the price of an eligible item to less than $100.00 in order to qualify for the holiday.

Coupons and rebates that are reimbursed by a third party, such as manufacturers' coupons, do not reduce the selling price of an item for purposes of sales tax. These types of coupons cannot be used to reduce the selling price of an item to less than $100.00 to qualify for the holiday.

Layaway Sales.

Layaway sales of eligible items do not qualify for the holiday.

Mail, Telephone, and Internet Sales.

Sales of eligible items that were placed or ordered by mail, telephone, or the internet are not subject to sales tax if the purchaser orders and pays for the items during the Sales Tax Holiday and the items are less than the $100.00 threshold.

Shipping and Handling Charges. Shipping and handling charges are not to be included as part of the sales price of eligible items in determining whether items exceed the $100.00 threshold.

Rain Checks.

Eligible items purchased during the Sales Tax Holiday using a rain check qualify for the holiday only if the rain check is redeemed during the Sales Tax Holiday. If it is redeemed after the holiday, the purchase is subject to sales tax.

Refunds and Exchanges.

If an eligible item was purchased during the Sales Tax Holiday and returned after the holiday for credit on the purchase of a different item, sales tax is applied to the sale of the newly purchased item. For example, a customer purchases a $35.00 shirt during the Sales Tax Holiday. After the holiday, the customer returns the shirt, receives a credit for the shirt, and then buys a $35.00 jacket. Sales tax is due on the $35.00 price of the jacket since the jacket was not purchased during the holiday.

If an eligible item was purchased during the Sales Tax Holiday and later exchanged for the same item but it's a different size, different color, etc., then sales tax is not to be charged even if the exchange is made after the holiday. For example, a customer purchases a $53.00 shirt during the Sales Tax Holiday and returns the shirt in exchange for another size of same style of shirt after the holiday; sales tax is not due on the exchanged shirt.

If eligible items were purchased before the Sales Tax Holiday but during the holiday the item was returned and a credit was received on the purchase of a different eligible item, then no sales tax is due on the sale of the new item if the new item is eligible for the holiday.