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# HOUSE BILL No. 1681

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-2.5-5-42.

**Synopsis:** Sales tax holiday. Provides a sales tax exemption for clothing, clothing accessories, school art supplies, school computer supplies, school instructional material, and school supplies that are purchased on the first Saturday of August of each year.

**Effective:** April 1, 2007 (retroactive).

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### Candelaria Reardon

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January 23, 2007, read first time and referred to Committee on Ways and Means.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

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## HOUSE BILL No. 1681



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-2.5-5-42 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
- 3 APRIL 1, 2007 (RETROACTIVE)]: **Sec. 42. (a) This section applies**
- 4 **to transactions occurring on the first Saturday in August of each**
- 5 **year beginning at 12:01 a.m. and ending at 11:59 p.m.**
- 6 **(b) As used in this section, "clothing" means all human wearing**
- 7 **apparel for general use. The term includes the following:**
- 8 (1) **Bathing caps.**
- 9 (2) **Belts and suspenders.**
- 10 (3) **Coats and jackets.**
- 11 (4) **Diapers.**
- 12 (5) **Dresses.**
- 13 (6) **Footwear.**
- 14 (7) **Gloves or mittens.**
- 15 (8) **Hats or caps.**
- 16 (9) **Neckties.**
- 17 (10) **Pants.**



- 1 (11) Scarves.  
 2 (12) Shirts.  
 3 (13) Skirts.  
 4 (14) Socks or hosiery.  
 5 (15) Undergarments.  
 6 (16) Uniforms.
- 7 (c) As used in this section, "clothing accessories or equipment"  
 8 means incidental items worn on the person or in conjunction with  
 9 clothing. The term includes the following:
- 10 (1) Briefcases.  
 11 (2) Cosmetics.  
 12 (3) Hair notions, including the following:  
 13 (A) Barrettes.  
 14 (B) Hair bows.  
 15 (C) Hair nets.  
 16 (4) Handbags.  
 17 (5) Handkerchiefs.  
 18 (6) Jewelry.  
 19 (7) Nonprescription sunglasses.  
 20 (8) Umbrellas.  
 21 (9) Wallets.  
 22 (10) Watches.  
 23 (11) Wigs and hair pieces.
- 24 (d) As used in this section, "school art supply" means an item  
 25 commonly used by a student in a course of study for artwork. The  
 26 term is limited to the following:
- 27 (1) Clay and glazes.  
 28 (2) Paints, limited to the following:  
 29 (A) Acrylic.  
 30 (B) Tempera.  
 31 (C) Oil.  
 32 (3) Paintbrushes for artwork.  
 33 (4) Sketch and drawing pads.  
 34 (5) Watercolors.
- 35 (e) As used in this section, "school computer supply" means an  
 36 item commonly used by a student in a course of study in which a  
 37 computer is used. The term is limited to the following:
- 38 (1) Computer storage media, limited to the following:  
 39 (A) Diskettes.  
 40 (B) Compact disks.  
 41 (C) Flash memory devices, including the following:  
 42 (i) Universal serial bus (USB) flash drives.

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- 1                   (ii) Flash memory cards.
- 2                   (2) Handheld electronic schedulers, except devices that are
- 3                   cellular phones.
- 4                   (3) Personal digital assistants, except devices that are cellular
- 5                   phones.
- 6                   (4) Computer printers.
- 7                   (5) Printer supplies for computers, limited to:
- 8                   (A) Printer paper.
- 9                   (B) Printer ink.
- 10                  (f) As used in this section, "school instructional material" means
- 11                  written material commonly used by a student in a course of study
- 12                  as a reference and to learn the subject being taught. The term is
- 13                  limited to the following:
- 14                  (1) Reference books.
- 15                  (2) Reference maps and globes.
- 16                  (3) Textbooks.
- 17                  (4) Workbooks.
- 18                  (g) As used in this section, "school supply" means an item
- 19                  commonly used by a student in a course of study. The term is
- 20                  limited to the following:
- 21                  (1) Binders.
- 22                  (2) Book bags.
- 23                  (3) Calculators.
- 24                  (4) Cellophane tape.
- 25                  (5) Blackboard chalk.
- 26                  (6) Compasses.
- 27                  (7) Composition books.
- 28                  (8) Crayons.
- 29                  (9) Erasers.
- 30                  (10) Folders, limited to the following:
- 31                  (A) Expandable folders.
- 32                  (B) Pocket folders.
- 33                  (C) Plastic folders.
- 34                  (D) Manila folders.
- 35                  (11) Glue, paste, and paste sticks.
- 36                  (12) Highlighters.
- 37                  (13) Index cards.
- 38                  (14) Index card boxes.
- 39                  (15) Legal pads.
- 40                  (16) Lunch boxes.
- 41                  (17) Markers.
- 42                  (18) Notebooks.

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- 1           **(19) Paper, limited to the following:**
- 2            (A) Loose leaf ruled notebook paper.
- 3            (B) Copy paper.
- 4            (C) Graph paper.
- 5            (D) Tracing paper.
- 6            (E) Manila paper.
- 7            (F) Colored paper.
- 8            (G) Poster board.
- 9            (H) Construction paper.
- 10          **(20) Pencil boxes and other school supply boxes.**
- 11          **(21) Pencil sharpeners.**
- 12          **(22) Pencils.**
- 13          **(23) Pens.**
- 14          **(24) Protractors.**
- 15          **(25) Rulers.**
- 16          **(26) Scissors.**
- 17          **(27) Writing tablets.**
- 18          **(h) Sales of:**
- 19            (1) clothing;
- 20            (2) clothing accessories or equipment;
- 21            (3) a school art supply;
- 22            (4) a school computer supply;
- 23            (5) school instructional material; and
- 24            (6) a school supply;
- 25          **are exempt from the state gross retail tax during the period**
- 26          **described in subsection (a), if the sales price of the item purchased**
- 27          **does not exceed one hundred fifty dollars (\$150).**
- 28          **(i) The department may adopt rules under IC 4-22-2 to**
- 29          **implement this section.**
- 30          **SECTION 2. An emergency is declared for this act.**

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