

HB 952 -- INDEPENDENCE DAY SALES TAX HOLIDAY

SPONSOR: Sutherland

COMMITTEE ACTION: Voted "do pass" by the Committee on Ways and Means by a vote of 7 to 2 with 1 present.

This bill establishes the Independence Day Sales Tax Holiday which, beginning January 1, 2009, authorizes a state sales and use tax exemption on the purchase of all tangible personal property in the state and all taxable retail services rendered in the state every year during the period of July 4 through July 31. Retailers may offer a sales tax refund in lieu of the sales tax holiday when less than 2% of their sales qualifies for the holiday. Any political subdivision may adopt an ordinance or order to opt into the holiday.

The provisions of the bill will expire December 31 six years from the effective date.

The bill contains an emergency clause.

FISCAL NOTE: Estimated Cost on General Revenue Fund of More than \$145,901,836 in FY 2010, More than \$145,906,750 in FY 2011, and More than \$145,909,954 in FY 2012. Estimated Cost on Other State Funds of More than \$83,886,500 in FY 2010, More than \$83,886,500 in FY 2011, and More than \$83,886,500 in FY 2012.

PROPOSERS: Supporters say that tax holidays work and encourage consumers to spend. Store traffic increases during the month of a holiday, and it doesn't seem to decrease the following month. The bill will help improve the economy.

Testifying for the bill were Representative Sutherland; and Missouri Retailers Association.

OPPOSERS: There was no opposition voiced to the committee.