

Back to School Sales tax holiday this weekend

Written by Kerry Craig
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Just in time for the annual rush to get school clothes and supplies stockpiled for the start of school on Aug. 26, the annual sales tax holiday starts Friday and continues through Sunday, Aug. 8.

With the 8 percent sales tax, shoppers will save \$8 in state taxes for every \$100 spent during the three-day tax suspension on approved purchases.

The state law exempts most clothing, footwear, school supplies and backpacks priced under \$100.

For a complete list of apparel and school supplies that may be purchased tax free, go to the state comptroller's website, www.TexasTaxHoliday.or.

The Fine Print:

n Retailers are not required to collect state and local sales or use tax on most footwear and clothing that are sold for less than \$100 during the holiday. Exemption certificates are not required. The exemption applies to each eligible item that sells for less than \$100, regardless of how many items are sold on the same invoice to a customer. For example, if a customer purchases two shirts for \$80 each, then both items qualify for the exemption, even though the customer's total purchase price (\$160) exceeds \$99.99.

n The exemption does not apply to the first \$99.99 of an otherwise eligible item that sells for more than \$99.99. For example, if a customer purchases a pair of pants that costs \$110, sales tax is due on the entire \$110.

n The exemption also does not apply to sales of special clothing or footwear that the manufacturer primarily designed for athletic activity or protective use and that is not normally worn except when used for the athletic activity or protective use for which the manufacturer designed the article.

For example, golf cleats and football pads are primarily designed for athletic activity or protective use and are not normally worn except for those purposes; they do not qualify for the exemption. Tennis shoes, jogging suits and swimsuits, however, are commonly worn for purposes other than athletic activity and qualify for the exemption.

n Backpacks priced under \$100 sold for use by elementary and secondary students are exempt during the sales tax holiday. The exemption includes backpacks with wheels, provided they can also be worn on the back like a traditional backpack, and messenger bags.

n The exemption does not include items that are reasonably defined as luggage, briefcases, athletic, duffle or gym bags, computer bags, purses or framed backpacks.

n The sales tax holiday exemption does not extend to rental of clothing or footwear; nor does it apply to alteration (including embroidery) or cleaning services performed on clothes and shoes. Additionally, tax is due on sales of accessories, including jewelry, handbags, purses, briefcases, luggage, umbrellas, wallets, watches and similar items.

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