

SENATE BILL No. 53

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-51.

Synopsis: Sales tax holiday. Provides a sales and use tax holiday from August 4, 2017, through August 6, 2017, for the following items purchased for a nonbusiness use: (1) An item of clothing, if the sales price of the item does not exceed \$35. (2) An item of school instructional material, school supplies, or school art supplies, if the sales price of the item does not exceed \$20. Incorporates the definitions of these items as set forth in the May 4, 2016, Streamlined Sales and Use Tax Agreement.

Effective: Upon passage.

Grooms

January 3, 2017, read first time and referred to Committee on Tax and Fiscal Policy.



First Regular Session 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

SENATE BILL No. 53

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 6-2.5-5-51 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 51. (a) As used in this section, "clothing"**
4 **means all apparel worn by humans for general use, including the**
5 **following:**
6 (1) **Aprons (including household aprons and shop aprons).**
7 (2) **Athletic supporters.**
8 (3) **Baby receiving blankets.**
9 (4) **Bathing suits and caps.**
10 (5) **Beach capes and coats.**
11 (6) **Belts and suspenders.**
12 (7) **Boots.**
13 (8) **Coats and jackets.**
14 (9) **Costumes.**
15 (10) **Diapers (including diapers for children, diapers for**
16 **adults, and disposable diapers).**
17 (11) **Ear muffs.**



- 1 (12) Footlets.
- 2 (13) Formal wear.
- 3 (14) Garters and garter belts.
- 4 (15) Girdles.
- 5 (16) Gloves and mittens for general use.
- 6 (17) Hats and caps.
- 7 (18) Hosiery.
- 8 (19) Insoles for shoes.
- 9 (20) Lab coats.
- 10 (21) Neckties.
- 11 (22) Overshoes.
- 12 (23) Pantyhose.
- 13 (24) Rainwear.
- 14 (25) Rubber pants.
- 15 (26) Sandals.
- 16 (27) Scarves.
- 17 (28) Shoes and shoelaces.
- 18 (29) Slippers.
- 19 (30) Sneakers.
- 20 (31) Socks and stockings.
- 21 (32) Steel toed shoes.
- 22 (33) Underwear.
- 23 (34) Uniforms (athletic and nonathletic).
- 24 (35) Wedding apparel.

25 The term does not include items purchased for use in a trade or
 26 business, belt buckles sold separately, costume masks sold
 27 separately, patches and emblems sold separately, sewing
 28 equipment and supplies (including knitting needles, patterns, pins,
 29 scissors, sewing machines, sewing needles, tape measures, and
 30 thimbles), or sewing materials that become part of clothing
 31 (including buttons, fabric, lace, thread, yarn, and zippers).

32 (b) As used in this section, "school art supply" means an item
 33 commonly used by a student in a course of study for artwork. The
 34 term includes only the following:

- 35 (1) Clay and glazes.
- 36 (2) Paints, such as acrylic, tempera, and oil.
- 37 (3) Paintbrushes for artwork.
- 38 (4) Sketch pads and drawing pads.
- 39 (5) Watercolors.

40 The term does not include items purchased for use in a trade or
 41 business.

42 (c) As used in this section, "school instructional material"



1 means written material commonly used by a student in a course of
 2 study as a reference and to learn the subject being taught. The
 3 term includes only the following:

- 4 (1) Reference books.
- 5 (2) Reference maps and globes.
- 6 (3) Textbooks.
- 7 (4) Workbooks.

8 The term does not include items purchased for use in a trade or
 9 business.

10 (d) As used in this section, "school supply" means an item
 11 commonly used by a student in a course of study. The term
 12 includes only the following:

- 13 (1) Binders.
- 14 (2) Book bags.
- 15 (3) Calculators.
- 16 (4) Cellophane tape.
- 17 (5) Blackboard chalk.
- 18 (6) Compasses.
- 19 (7) Composition books.
- 20 (8) Crayons.
- 21 (9) Erasers.
- 22 (10) Folders, limited to the following:
 - 23 (A) Expandable folders.
 - 24 (B) Pocket folders.
 - 25 (C) Plastic folders.
 - 26 (D) Manila folders.
- 27 (11) Glue, paste, and paste sticks.
- 28 (12) Highlighters.
- 29 (13) Index cards.
- 30 (14) Index card boxes.
- 31 (15) Legal pads.
- 32 (16) Lunch boxes.
- 33 (17) Markers.
- 34 (18) Notebooks.
- 35 (19) Paper, limited to the following:
 - 36 (A) Loose leaf ruled notebook paper.
 - 37 (B) Copy paper.
 - 38 (C) Graph paper.
 - 39 (D) Tracing paper.
 - 40 (E) Manila paper.
 - 41 (F) Colored paper.
 - 42 (G) Poster board.



- 1 **(H) Construction paper.**
2 **(20) Pencil boxes and other school supply boxes.**
3 **(21) Pencil sharpeners.**
4 **(22) Pencils.**
5 **(23) Pens.**
6 **(24) Protractors.**
7 **(25) Rulers.**
8 **(26) Scissors.**
9 **(27) Writing tablets.**
10 **(e) The following items of tangible personal property sold in a**
11 **retail transaction are exempt from the state gross retail tax if the**
12 **individual item is purchased during the period beginning at 12:01**
13 **a.m. on August 4, 2017, and ending at 11:59 p.m. on August 6,**
14 **2017, for a nonbusiness use and the item is one (1) of the following:**
15 **(1) An item of clothing, if the sales price of the item does not**
16 **exceed thirty-five dollars (\$35).**
17 **(2) An item of school instructional material, school supplies,**
18 **or school art supplies, if the sales price of the item does not**
19 **exceed twenty dollars (\$20).**
20 **(f) The department may adopt emergency rules under**
21 **IC 4-22-2-37.1 to implement this section.**
22 **(g) This section expires July 1, 2018.**
23 **SECTION 2. An emergency is declared for this act.**

