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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

S.B. 222  
134<sup>th</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsor:** Sen. Antani

Mackenzie Damon, Attorney

### SUMMARY

- Authorizes a three-day “sales tax holiday” in March of each year for Energy Star-labeled appliances, water heaters, and heating and cooling equipment.

### DETAILED ANALYSIS

#### Sales tax holiday for Energy Star products

The bill authorizes an annual, three-day “sales tax holiday” for Energy Star-labeled appliances, water heaters, and heating and cooling equipment. The tax holiday, during which sales of the qualifying items are exempt from sales and use tax, begins on the first Friday in March.

To qualify for the exemption, an item must carry the Energy Star label, which indicates that the item meets the energy efficiency criteria of the Energy Star program administered by the U.S. Environmental Protection Agency and Department of Energy. The item must also be categorized as an appliance or water heater, or as heating or cooling equipment. Under the Energy Star program, “appliances” include washers and dryers, refrigerators, freezers, dishwashers, air purifiers, and dehumidifiers. “Water heaters” include gas storage, gas tankless, solar, and heat pump water heaters. “Heating or cooling equipment” includes smart thermostats, air conditioners, furnaces, boilers, heat pumps, ventilation fans, and ductless heating and cooling systems.<sup>1</sup> The exemption does not apply to items that are rented, purchased for use in a trade or business, or purchased by a person who will install the item for the ultimate consumer.

<sup>1</sup> See <http://www.energystar.gov/products>.

The purchase of an item falls within the tax holiday period only if the purchaser pays for the item during that period and does not request any delay in the shipment or delivery of the item. Actual delivery of the item may occur outside of the tax holiday period.

The exemption applies regardless of whether the sale occurs in Ohio or outside Ohio: if the sale occurs in Ohio, the sale is exempt from sales tax; if the sale occurs outside Ohio (for example, by mail-order or over the internet) but the item is used in Ohio, the sale is exempt from the use tax that would otherwise apply.<sup>2</sup>

## Administration

The bill requires the Tax Commissioner to provide annual notice by the first day of December explaining the exemption to vendors.<sup>3</sup>

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## HISTORY

Action	Date
Introduced	09-02-21

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ANSB0222IN-134/ar

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<sup>2</sup> R.C. 5739.02(B)(57) and 5739.03.

<sup>3</sup> R.C. 5739.05(A)(2)(b).