

Ohio Sales Tax Holiday
August 2017
BACK TO SCHOOL

Summary

General Overview:

- The holiday will begin at 12:00 a.m. on **Friday August 4, 2017** and end at 11:59 p.m. on **Sunday August 6, 2017**.
- The holiday will provide state and local sales tax relief on purchases of certain **school supplies, school instructional material** and **clothing**.
- The exemption does not apply to items used in a trade or business.
- Additional information regarding the holiday can be found at:
<http://www.tax.ohio.gov/>

School Supplies and Material Exemption:

- School supplies priced at **\$20 or less per item** are exempt from sales and use tax during the holiday. See list of eligible items below.
- School instructional material priced at **\$20 or less per item** are exempt from sales and use tax during the holiday. See list of eligible items below.

Clothing Exemption:

- Clothing priced at **\$75 or less per item** is exempt from sales and use tax during the holiday. See list of eligible items below.
- “Clothing” is defined as all human wearing apparel suitable for general use.

LIST OF ELIGIBLE ITEMS

SCHOOL SUPPLIES (all-inclusive list)

- Binders
- Book bags
- Calculators
- Cellophane tape
- Blackboard chalk

- Compasses
- Composition books
- Crayons
- Erasers
- Folders (expandable, pocket, plastic, and manila)
- Glue, paste, and paste sticks
- Highlighters
- Index cards
- Index card boxes
- Legal pads
- Lunch boxes
- Markers
- Notebooks
- Paper (loose leaf ruled notebook paper, copy paper, graph paper, tracing paper, manila paper, colored paper, poster board, and construction paper)
- Pencil boxes and other school supply boxes
- Pencil sharpeners
- Pencils
- Pens
- Protractors
- Rulers
- Scissors
- Writing tablets

SCHOOL INSTRUCTIONAL MATERIAL (all-inclusive list)

- Reference books
- Reference maps and globes
- Textbooks
- Workbooks

CLOTHING

- Shirts
- Blouses
- Sweaters
- Pants
- Shorts
- Skirts
- Dresses
- Uniforms (athletic and nonathletic)
- Shoes and shoe laces
- Insoles for shoes
- Sneakers

- Sandals
- Boots
- Overshoes
- Slippers
- Steel-toed shoes
- Underwear
- Socks and stockings
- Hosiery
- Pantyhose
- Footlets
- Coats and jackets
- Rainwear
- Gloves and mittens for general use
- Hats and caps
- Ear muffs
- Belts and suspenders
- Neckties
- Scarves
- Aprons (household and shop)
- Lab coats
- Athletic supporters
- Bathing suits and caps
- Beach capes and coats
- Costumes
- Baby receiving blankets
- Diapers, children and adult, including disposable diapers
- Rubber pants
- Garters and garter belts
- Girdles
- Formal wear
- Wedding apparel

Taxable Clothing

Clothing Accessories or Equipment

Protective Equipment

Sewing Equipment and Supplies

Sport or Recreational Equipment

Guidelines:

Multiple Qualifying Items – Multiple qualifying items can be purchased in a single tax-exempt transaction. There is no limit on the amount of the total purchase. The qualification is determined item by item.

Exemption Threshold – The exemption applies to eligible items priced at or below the threshold limits. If an item sells for more than the threshold limit, tax is due on the entire selling price.

Buy One, Get One Free or Items Sold for a Reduced Price – The total price of items advertised as “buy one, get one free” or “buy one for a reduced price” cannot be averaged to qualify both items for the exemption. The exemption depends on the actual price paid for each item.

Items Normally Sold as a Unit – Articles normally sold as a unit must be sold that way during the sales tax holiday. They cannot be priced separately and sold as individual items to qualify for the exemption. However, components normally priced as “separates” may still be sold as separate articles.

Sets Containing Both Exempt and Taxable Items – When exempt items are sold together with taxable merchandise as a set or single unit, the full price is subject to sales tax unless the price is separately stated.

Coupons and Discounts – If a retailer offers a discount to reduce the price of an eligible item to \$20 or less (school supplies) or \$75 or less (clothing), the item will qualify for the exemption. This applies to all discounts even if a retailer’s coupon or loyalty card is required to secure the discount. If a retailer accepts a coupon that entitles the retailer to third-party reimbursement, such as a manufacturer’s coupon, the discount provided by the coupon does not reduce the item’s sales price for purposes of determining whether the item is eligible for the exemption.

Rebates – Rebates occur after the sale and do not reduce the sales price of an item for purposes of the sales tax holiday threshold. If the price of the item before rebate exceeds the threshold, it is taxable.

Mail, Telephone, Email, and Internet Orders – Qualified items sold to consumers by mail, telephone, email, or Internet shall qualify for the sales tax exemption if the consumer orders and pays for the item and the retailer accepts the order during the exemption period for immediate shipment, even if delivery is made after the exemption period. If the order and payment were made before the sales tax holiday, even if the item was delivered during the sales tax holiday, it would not qualify for the exemption. Additionally, if an item is backordered and payment does not occur until a later shipment, the item would not qualify for the exemption.

Shipping and Handling Charges – If all items in a shipment qualify as eligible items and the sales price for each is within the sales tax holiday price threshold, the shipping and handling charges are not taxable.

If the shipment includes exempt items and taxable items (including an eligible item with a sales price in excess of the threshold limits), the seller should allocate the shipping and handling charges by a percentage based on the total price of the taxable items to the total price of all the items in the shipment. The retailer must charge tax on the portion of the shipping and handling charges allocated to the taxable items in the shipment.

Exchanges and Returns – If a consumer buys an eligible item during the sales tax holiday and later exchanges it for the same item in a different size or color, the retailer should not charge sales tax even if the exchange is made after the end of the sales tax holiday.

If a consumer buys an eligible item during the sales tax holiday and returns the item after the tax holiday period for credit on the purchase of a different item, the retailer must charge sales tax on the sale of the newly purchased item, even if it would have been eligible for the exemption during the sales tax holiday.

If a consumer buys an eligible item before the holiday period, but returns the item during the sales tax holiday period and receives credit on the purchase of a different item of eligible property, no sales tax is due on the sale of the new item. The retailer must provide the consumer credit for both the purchase price and sales tax paid on the item being returned.

Refunds – Retailers should refund tax to any consumer who was charged sales tax on an exempt item during the sales tax holiday. Consumers who were charged tax by a retailer should take their receipt to the retailer for a refund.