

## BILL SUMMARY

MEASURE: SB 1149 (Engrossed Bill)

AUTHOR: Rep. Armes, Sen. Barrington

SUBJECT: Sales Tax Exemptions (Back To School Sales Tax Holiday)

### PROVISIONS:

Section 1: Amends current statutes by exempting from state sales tax the sale of any school supply, school art supply or school instructional material, based on a determination by the State Board of Equalization of growth in sales tax revenue of 3%.

Section 2: Amends current statutes by exempting from county sales tax the sale of any school supply, school art supply or school instructional material, based on a determination by the State Board of Equalization of growth in sales tax revenue of 3%.

Section 3: Amends current statutes by exempting from municipal sales tax the sale of any school supply, school art supply or school instructional material, based on a determination by the State Board of Equalization of growth in sales tax revenue of 3%.

Section 4: Creates New Law – Beginning in February 2009, the State Board of Equalization shall determine if the final itemized estimate of the amount of sales tax revenue for the fiscal year 2010 is at least three percent (3%) greater than the final itemized estimate of the amount of sales tax revenue for the fiscal year 2009, and if the Board has determined this has happened, it shall make a finding that applicable revenue growth will authorize the implementation of the above provisions in sections 1, 2, and 3 of this bill. Once approved, the exemptions will apply to all subsequent years.

This section also requires that this review of revenue by the Board, be revisited for each subsequent year if it is determined there is not adequate growth to reach the required 3%.

Section 5: Provides an Effective Date

### EFFECTIVE

DATE: July 1, 2009

PREPARED BY: Jonathan Small II, Associate Research Analyst

DATE: 3-31-08