

Back-to-School Sales Tax Holiday - Information for Vendors

Section 144.049, RSMo (<https://revisor.mo.gov/main/OneSection.aspx?section=144.049>), establishes a sales tax holiday during a three-day period beginning at 12:01 a.m. on the first Friday in August and ending at midnight on the Sunday following. Certain back-to-school purchases, such as clothing, school supplies, computers, and other items as defined by the statute, are exempt from sales tax for this time period only.

The sales tax holiday applies to state and local sales taxes.

Filing Your Return for the Sales Tax Holiday Period

- Businesses with sales qualifying for the sales tax holiday may use the normal filing method for this period. Enter total gross receipts for all sales made, indicating holiday sales as a negative adjustment on the return. You will no longer need to file these sales using a separate item code. See example.
- The sales tax holiday may not apply to any retailer when less than 2% of the retailer's merchandise offered for sale qualifies for the sales tax holiday. However, the retailer must provide the taxpayer a refund of the sales tax paid, if the customer requests one.
- All businesses that do not sell qualifying items may continue to use the normal filing method for this period.

For questions regarding the sales tax holiday, please email us at: salesuse@dor.mo.gov (<mailto:salesuse@dor.mo.gov>)

Example:

Below is an example of how the return will appear when filing for the sales tax holiday.

Total sales for the month were \$3,000. Of the \$3,000, \$1,000 was received for qualifying school supplies. The customer will receive an exemption from both state and local tax for this time period. Enter the \$1,000 sales for the qualifying school supplies as a negative adjustment on the sales tax return.

Business Location	Code	Gross Receipts	Adjustments (+ or -)	Taxable Sales	Rate (%)	Amount of Tax
123 Main Street	-	\$3,000.00	-\$1,000.00	\$2,000.00	6.225	\$124.50

The sales tax exemption is limited to:

- Clothing – any article having a taxable value of \$100 or less
- School supplies – not to exceed \$50 per purchase
- Computer software – taxable value of \$350 or less
- Personal computers – not to exceed \$1,500
- Computer peripheral devices – not to exceed \$1,500
- Graphing calculators - not to exceed \$150

Qualifying Items:

The following are definitions of the items that would be exempt during the Sales Tax Holiday as described in Section 144.049, RSMo. (<https://revisor.mo.gov/main/OneSection.aspx?section=144.049>)

“Clothing” - any article of wearing apparel intended to be worn on or about the human body including, but not limited to, disposable diapers for infants or adults and footwear. The term shall include but not be limited to, cloth and other material used to make school uniforms or other school clothing. Items normally sold in pairs shall not be separated to qualify for the exemption. The term shall not include watches, watchbands, jewelry, handbags, handkerchiefs, umbrellas, scarves, ties, headbands, or belt buckles; and

“Personal computers” - a laptop, desktop, or tower computer system which consists of a central processing unit, random access memory, a storage drive, a display monitor, a keyboard, and devices designed for use in conjunction with a personal computer, such as a disk drive, memory module, compact disk drive, daughterboard, digitalizer, microphone, modem, motherboard, mouse, multimedia speaker, printer, scanner, single-user hardware, single-user operating system, soundcard, or video card; and

“School supplies” - any item normally used by students in a standard classroom for educational purposes, including but not limited to, textbooks, notebooks, paper, writing instruments, crayons, art supplies, rulers, book bags, backpacks, handheld calculators, graphing calculators, chalk, maps, and globes. The term shall not include watches, radios, CD players, headphones, sporting equipment, portable or desktop telephones, copiers or other office equipment, furniture, or fixtures. School supplies shall also include graphing calculators valued at \$150 or less and computer software having a taxable value of \$350 or less.

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