STATE OF KANSAS

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HOUSE OF REPRESENTATIVES

TOPEKA

COMMITTEE ASSIGNMENTS
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JOINT COMMITTEE ON SPECIAL CLAIMS AGAINST THE STATE

To: House Standing Committee on Taxation,
The Honorable Marvin Kleeb, Chair

Date: February 5, 2015

Re: HB 2076

Thank you for the opportunity to appear before the committee to testify on HB 2076, which would create a Kansas Sales Tax Holiday. The sales tax holiday is not just a good idea, but necessary to allow retailers in Kansas to compete with their cross state rivals in states that currently have such holidays.

It is clear that retailers and shopping areas in the Kansas City, MO area believe that the Sales Tax Holiday in Missouri increases shopper traffic. I have attached a picture taken from the Kansas City Star of individuals waiting outside of the Apple Store on the Country Club Plaza. There is also an Apple Store in Leawood, Kansas at the Town Center Plaza that misses out on those sales. People aren't lining up outside of it to get new computers or software for college and high school.

I have an amendment to change the length of the holiday to Friday, Saturday, and Sunday by eliminating Thursday. I want to do this to have the law mirror the current Missouri law with regards of timeframe. It would also reduce the fiscal note slightly too.

Thank you for the opportunity to talk with you.

With Regards

James Eric Todd

Representative James Eric Todd
District 29

**From the Kansas City Business Journal**
**:http://www.bizjournals.com/kansascity/stories/2010/07/19/daily55.html**

# Kansas City-area shopping centers prepare for sales tax holiday rush

Jul 23, 2010, 2:17pm CDT

Jennifer Torline
Staff Writer

Local shopping centers are gearing up for Missouri's coming annual "Back to School" sales tax holiday — a weekend as big as during the holiday shopping season.

"It's really one of our busiest weekends of the year," said Rosemary Salerno, general manager of Kansas City's Zona Rosa shopping center. "We call it, jokingly, 'Christmas in August.'"

The Missouri state sales tax of 4.225 percent will be dropped on clothes, computers and school supplies starting at midnight Aug. 6 and lasting through Aug. 8. Many municipalities also are dropping their local sales taxes for the weekend, letting customers buy qualified items tax-free.

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**DETAILS**: Find out more about the "Back to School" sales tax holiday, including cities and counties not participating

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Qualifying purchases for the weekend include clothing valued at less than $100, school supplies of less than $50 a purchase and personal computers/computer peripheral devices that do not exceed $3,500. And the sales tax breaks aren't exclusive to Missouri residents.

A total of 171 cities — including North Kansas City, Claycomo and Platte City — have opted not to participate in the weekend.

Last year, more than 80,000 people shopped at Zona Rosa during the sales tax holiday weekend. Salerno expects this year to be as busy, if not busier.

"There's something really magical about the words 'tax free,'" she said.

State and local taxes have been dropped at Zona Rosa, so consumers can avoid paying 8.975 percent in sales taxes.

The weekend brings an upsurge in sales for the whole center, not just stores with qualifying items.

"It's really great because people come out for those qualifying items, but they're still eating at our restaurants while they come shopping," Salerno said. "They're also buying items that aren't included on that list of qualifying items."

Independence Center likewise expects that weekend to be busy, especially with the coinciding opening of clothing store Forever 21, said Ryan Oester, the mall's director of marketing and business development.

The mall also plans a gift card promotion for the weekend. Independence Center has more than 130 stores, including 30 that sell women's apparel and 13 that sell men's apparel.

Shoppers at Independence Center during the tax-free weekend could save 7.725 percent on purchases because state and local taxes have been dropped.

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**From the Kansas City Business Journal**
**:http://www.bizjournals.com/kansascity/news/2011/08/08/sales-tax-holiday-benefits-kansas-city.html**

# Sales tax holiday benefits Kansas City businesses

Aug 8, 2011, 2:15pm CDT Updated: Aug 8, 2011, 2:53pm CDT

Brenna Hawley, Staff Writer

Kansas City-area businesses cashed in from this weekend's tax-free holiday.

Shoppers didn't pay Missouri's 4.225 percent sales tax on clothing, school supplies, and computers and computer supplies from Friday to Sunday. The weekend has been one of the busiest of the year in the past for shopping centers such as **Zona Rosa** and **Independence Center**.

Downtown's Power & Light District took advantage of the weekend by holding sidewalk sales. The Garment District Boutiques, 1100 Walnut St., Suite 3000, saved merchandise specifically for the sale, such as T-shirts and swimming trunks.

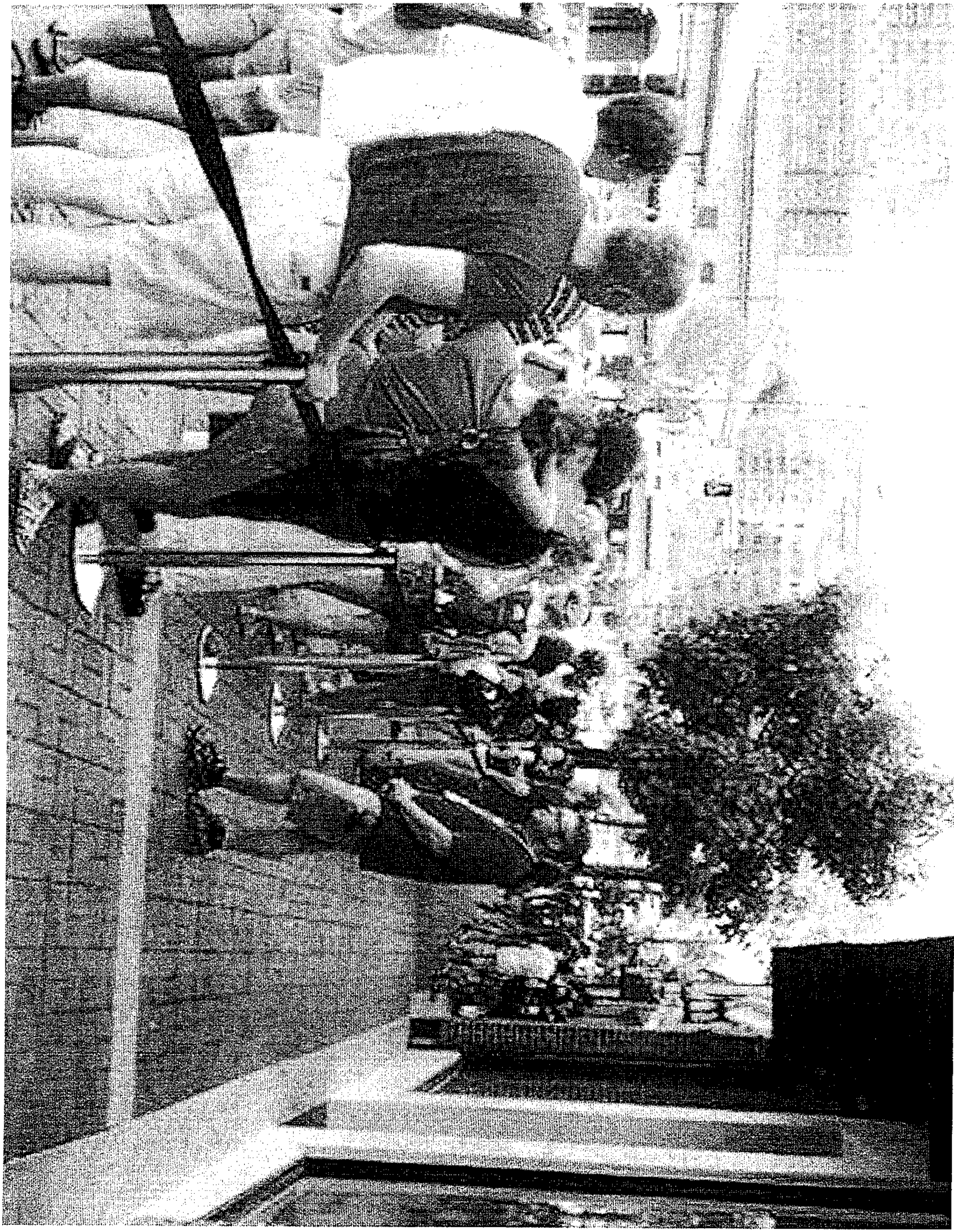
"We had a great weekend," Sales Manager Annette Gardner said. "We had lots of customers coming from all over the city, not typically our normal demographic, who were taking advantage of our markdowns."

Much of the store's business during the week comes from people attending conventions, Gardner said, but early August is a dry spell for conventions, so the tax-free weekend really helps business.

"People kind of forget to do back-to-school shopping downtown," Gardner said. "It was just a great atmosphere, with so many people and crowds we don't normally see on a regular basis unless there's a special event going on downtown."

Brad Jones, state director for the National Federation of Independent Businesses, said the tax-free weekend especially would help less money go further for shoppers and also increase sales at small businesses.

"The sales tax holiday is really going to make a difference because it's going to help families stretch a dollar," Jones said in a release. "It's going to put people in the mood to spend, and we're hoping they'll use this opportunity to support the local economy and shop at small businesses."



**Leota Golden**

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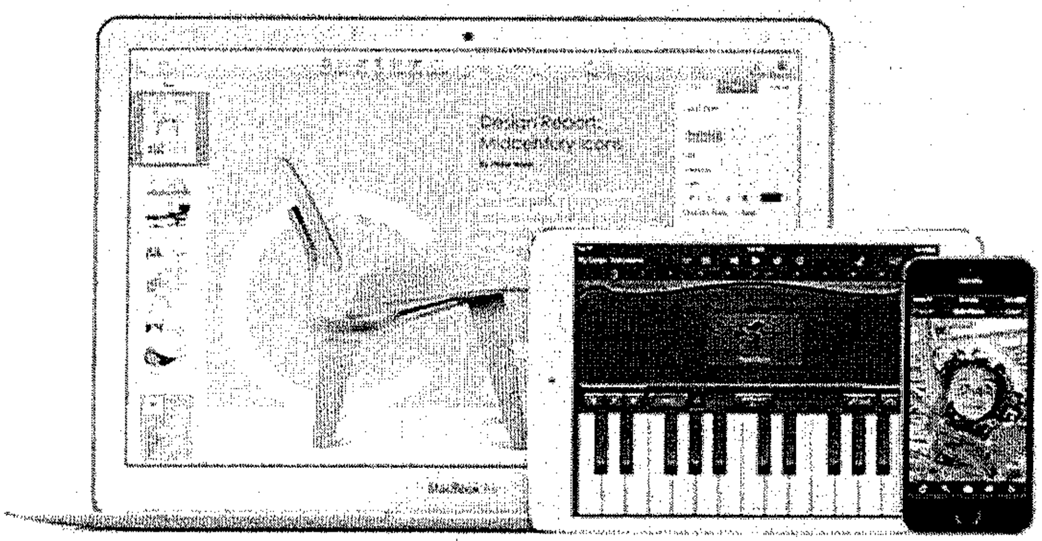
|---|---|
| **From:** | James Todd |
| **Sent:** | Thursday, February 05, 2015 9:42 AM |
| **To:** | Leota Golden |
| **Subject:** | One more picture Print this one too please |

Thin, light, powerful.
And for a few days, state tax–free.

Your state's tax holiday is coming soon, which means you'll save on select Apple products.
Find out your state's tax-free dates and which products are eligible.



Rep. James Eric Todd
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# HOUSE BILL No. 2076

By Representatives Todd, Anthimides, Claeys, Clayton, Davis, Finney, Highland, K. Jones, Pauls, Peck, Powell, Rooker, Scapa, Sutton, Thompson and Whipple

1-22

**Proposed Balloon Amendment**
**Prepared by: Scott Wells**
**Office of Revisor of Statutes**

AN ACT concerning sales taxation; relating to exemptions; certain sales of school supplies, computers and clothing during sales tax holiday; amending K.S.A. 2014 Supp. 79-3606 and repealing the existing section.

*Be it enacted by the Legislature of the State of Kansas:*

New Section 1. (a) As used in this section and K.S.A. 79-3606(llll), and amendments thereto:

(1) "Clothing" means all human wearing apparel suitable for general use. Clothing includes, but is not limited to: Aprons, household and shop; athletic supporters; baby receiving blankets; bathing suits and caps; beach capes and coats; belts and suspenders; boots; coats and jackets; costumes; diapers, children and adult, including disposable diapers; ear muffs; footlets; formal wear; garters and garter belts; girdles; gloves and mittens for general use; hats and caps; hosiery; insoles for shoes; lab coats; neckties; overshoes; pantyhose; rainwear; rubber pants; sandals; scarves; shoes and shoe laces; slippers; sneakers; socks and stockings; steel-toed shoes; underwear; uniforms, athletic and non-athletic; and wedding apparel. Clothing shall not include: Belt buckles sold separately; costume masks sold separately; patches and emblems sold separately; sewing equipment and supplies including, but not limited to, knitting needles, patterns, pins, scissors, sewing machines, sewing needles, tape measures and thimbles; and sewing materials that become part of clothing including, but not limited to, buttons, fabric, lace, thread, yarn and zippers;

(2) "clothing accessories or equipment" means incidental items worn on the person or in conjunction with clothing. Clothing accessories or equipment includes, but is not limited to: Briefcases; cosmetics; hair notions, including, but not limited to, barrettes, hair bows, and hair nets; handbags; handkerchiefs; jewelry; sunglasses, non-prescription; umbrellas; wallets; watches and wigs and hair pieces;

(3) "eligible property" means an item of a type, such as clothing, that qualifies for the sales tax exemption as provided in K.S.A. 79-3606(llll), and amendments thereto;

(4) "layaway sale" means a transaction in which property is set aside for future delivery to a customer who makes a deposit, agrees to pay the

clothing and other necessities of life during times of special need; ~~and~~

(kkkk) all sales of tangible personal property and services purchased by or on behalf of reaching out from within, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of sponsoring self-help programs for incarcerated persons that will enable such incarcerated persons to become role models for non-violence while in correctional facilities and productive family members and citizens upon return to the community*; and*

*(llll) on and after July 1, 2016, all back-to-school related sales of clothing or clothing accessories or equipment having a taxable value of $300 or less, school supplies, school instructional materials or school art supplies not to exceed $100 per item, prewritten computer software with a taxable value of $300 or less and personal computers or school computer supplies not to exceed $2,000, during the period beginning at 12:01 a.m. on the first ~~Thursday~~ in August and ending at midnight on the Sunday following. Only items priced below the price threshold established in this subsection shall be exempt from taxation pursuant to this subsection. The seller of items specified in this subsection is not required to obtain an exemption certificate from the purchaser of such items as provided pursuant to K.S.A. 79-3692, and amendments thereto, during the period of time specified in this subsection. There shall be no exemption pursuant to this subsection for only a portion of the price of an individual item. The provisions of section 1, and amendments thereto, shall apply to the exemption contained in this subsection.*

Sec. 3. K.S.A. 2014 Supp. 79-3606 is hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

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