



1       (1) The first \$60 of an article of clothing or bag selling  
2           for more than \$60 or the first \$15 of a school supply  
3           item selling for more than \$15;

4       (2) The rental of goods and services;

5       (3) Taxable services performed on retail items;

6       (4) Rebates, layaway sales, rain checks, or exchanges when  
7           the exchanges occur before or after the tax holiday  
8           period; or

9       (5) Items purchased via the internet, telephone, or mail-  
10       order.

11       (c) Multiple articles that are normally sold as a  
12       collective unit shall continue to be sold in that manner and  
13       shall not be priced separately and sold as individual items for  
14       the purpose of qualifying for the exemption.

15       (d) A retailer may offer a discount to reduce the retail  
16       sales price of an item; provided that if the discount reduces  
17       the retail sales price of an article of clothing or bag to \$60  
18       or less or the retail sales price of a school supply item to \$15  
19       or less, the item shall qualify for the exemption.

20       (e) The total retail sales price of items advertised as  
21       "buy one, get one free," or "buy one, get one for a reduced



1 price," shall not be averaged for both items to qualify for the  
2 exemption.

3 (f) A retailer shall not be required to obtain any special  
4 license, permit, or other documentation on retail sales of  
5 eligible items during the exemption holiday period; provided  
6 that the retailer's records shall clearly identify the type of  
7 item sold, the date the item was sold, and the retail sales  
8 price of the item.

9 (g) For purposes of this section:

10 "Bag" includes handbags, backpacks, fanny packs, and tote  
11 bags. The term does not include briefcases, suitcases, and  
12 other garment bags.

13 "Clothing" means any article of wearing apparel, including  
14 footwear, intended to be worn on or about the human body. The  
15 term shall include but not be limited to cloth and other  
16 material used to make school uniforms or other school clothing.  
17 Items normally sold in pairs, such as socks and shoes, shall not  
18 be separated to qualify for the exemption. The term shall not  
19 include watches, watchbands, jewelry, handkerchiefs, umbrellas,  
20 scarves, ties, headbands, or belt buckles.



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1        "School supplies" means any item normally used by students  
 2        in a standard classroom for educational purposes, including but  
 3        not limited to, notebooks, paper, writing instruments, crayons,  
 4        art supplies, rulers, handheld calculators, chalk, maps,  
 5        binders, lunch boxes, markers, folders, scissors, tape, glue or  
 6        paste, computer disks, protractors, and compasses."

7        SECTION 2. New statutory material is underscored.

8        SECTION 3. This Act shall take effect upon its approval.

9

INTRODUCED BY:

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# H.B. NO. 1071

**Report Title:**

General Excise Tax; Holiday

**Description:**

Establishes an annual general excise tax holiday for consumers and businesses that sell clothing and bags with a retail price under \$60 and school supplies with a retail price under \$15; provided that businesses pass savings on to consumers.

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