



Tennessee 2009 Sales Tax Holiday: August 7th-9th



This year's Sales Tax Holiday starts at 12:01am on Friday, August 7th and runs until 11:59pm on Sunday, August 9th. The program will enable Tennesseans to buy items, in certain categories, of otherwise taxable products in the state of Tennessee without having to pay state and local sales tax. This event is designed so Tennesseans can purchase certain clothing, school supplies, and computers sales tax free in preparation for the upcoming school year. Shoppers and retailers can find more information about the upcoming tax holiday at www.tntaxholiday.com, including lists of exempt items, frequently asked questions and more.

Clothing

- Belts
- Caps
- Coats
- Dresses
- Gloves
- Hats
- Hosiery
- Jackets
- Jeans
- Neckties
- Pants
- Scarves
- School Uniforms
- Shirts
- Shoes
- Socks
- Sneakers
- Underwear



During the holiday, clothing with a purchase price of \$100 or less per item is exempt from sales tax. Clothing items costing more than \$100 or any clothing purchased for use by a trade or business is not exempt from tax. Items that are normally sold together, such as shoes, may not be split to achieve the \$100 threshold. Additionally, there is no requirement that purchases be made only for students. If an item is tax exempt, anyone may make the purchase tax-free.

Exempt clothing is defined as human wearing apparel for general use. It does not include accessories such as jewelry or bags or sports and recreational equipment like baseball gloves.

For layaway sales, qualified clothing is exempt when final payments are made by customers on items previously placed on layaway. When customers put clothing items on layaway during the holiday period, they will also be tax-exempt when final payment and delivery is made after the exemption period.

School Supplies



- School Supplies
- Binders
- Book Bags/Backpacks
- Calculators
- Chalk
- Crayons
- Erasers
- Folders
- Glue
- Lunch Boxes
- Notebooks
- Paper
- Pens
- Pencils
- Rulers
- Scissors
- Tape
- School Art Supplies
- Clay and Glazes
- Paints
- Paintbrushes
- Sketch and Drawing Pads
- Watercolors

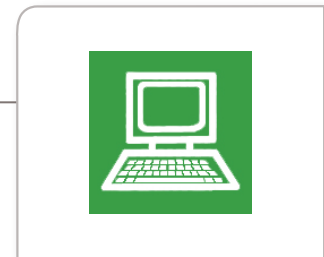


During the holiday, school supplies (including school art supplies) with a purchase price of \$100 or less per item are exempt from sales tax. School supplies individually priced at more than \$100 or items purchased for use by a trade or business are not exempt from tax. Items that are normally sold together may not be split to achieve the \$100 threshold. Under these special holiday laws, there is no requirement that purchases be made only for students. If an item is tax exempt, anyone may make the purchase tax-free.

School supplies are defined as items used by a student in a course of study. Specifically excluded are items such as instructional material, including reference books and school computer supplies (compact discs, printers, and printer ink).

Computers (\$1,500 or less)

During these holidays, computers with a purchase price of \$1,500 or less, not for use in a trade or business, are exempt from tax. Laptop computers, if priced at \$1,500 or less, also qualify. Additionally, there is no requirement that purchases be made only for students. If an item is tax exempt, anyone may make the purchase tax-free.



For purposes of this exemption, a computer is defined as a central processing unit (CPU), along with various other components including monitor, keyboard, mouse, cables to connect components, and preloaded software. While the CPU may be purchased separately, other items must be part of a bundled computer package in order to be eligible. Software beyond what is preloaded with the computer package is not exempt from tax.

The following items are not exempt from tax:

- Computer parts, such as monitors, keyboards, speakers, and scanners when not sold in conjunction with a CPU
- Individually purchased software or other software not part of a preloaded software package on the initial purchase of a computer
- Storage media, such as diskette and compact disks
- Handheld electronic schedulers
- Personal digital assistants (PDAs)
- Video game consoles
- Computer printers and supplies for printers, such as paper and ink

When a customer orders a computer during this period for later receipt, tax exemption is still allowed as long as the customer does not request delayed shipment. Backlogs and backorders outside the buyer's control are still tax-free. For layaway sales, qualified computer purchases are exempt when final payments are made during the holiday by customers on items previously placed on layaway. When customers put computers on layaway during the holiday period, they will also be tax-exempt when final payment and delivery is made after the exemption period.