

The Project approved moving this paper and proposed amendment to the Streamlined Sales and Use Tax Agreement to Implementing States on August 5, 2004. The Project also recommended introductory language in Part III of the Library of Definitions to limit those definitions to sales tax holidays.

STREAMLINED SALES TAX PROJECT

Definitions for School Related Supplies SSTP Recommendations for Amendment to Agreement July 29, 2004

Background

Section 322 of the Streamlined Sales and Use Tax Agreement provides that only items that are specifically defined in the Agreement may be exempted for sales tax holiday exemption periods that occur after December 31, 2004. Several states (Georgia, North Carolina, and West Virginia) currently have sales tax holiday exemptions for school supplies, and several other states may choose to enact exemptions for school related supplies in the future. Without specific definitions for school related items, these states will not be able to comply with the Agreement while keeping their current sales tax holiday exemptions for school supplies in place.

Motion

Motion to amend Library of Definitions in Appendix C, Part III to add the following sales tax holiday definitions:

PART III

Sales Tax Holiday Definitions

"School supply" is an item commonly used by a student in a course of study. The term is mutually exclusive of the terms "school art supply," "school instructional material," and "school computer supply," and may be taxed differently. The following is an all-inclusive list:

1. Binders;
2. Book bags;
3. Calculators;
4. Cellophane tape;
5. Blackboard chalk;

6. Compasses;
7. Composition books;
8. Crayons;
9. Erasers;
10. Folders; expandable, pocket, plastic, and manila;
11. Glue, paste, and paste sticks;
12. Highlighters;
13. Index cards;
14. Index card boxes;
15. Legal pads;
16. Lunch boxes;
17. Markers;
18. Notebooks;
19. Paper; loose leaf ruled notebook paper, copy paper, graph paper, tracing paper, manila paper, colored paper, poster board, and construction paper;
20. Pencil boxes and other school supply boxes;
21. Pencil sharpeners;
22. Pencils;
23. Pens;
24. Protractors;
25. Rulers;
26. Scissors; and
27. Writing tablets.

"School art supply" is an item commonly used by a student in a course of study for artwork. The term is mutually exclusive of the terms "school supply," "school instructional material," and "school computer supply," and may be taxed differently. The following is an all-inclusive list:

1. Clay and glazes;
2. Paints; acrylic, tempora, and oil;
3. Paintbrushes for artwork;
4. Sketch and drawing pads; and
5. Watercolors.

"School instructional material" is written material commonly used by a student in a course of study as a reference and to learn the subject being taught. The term is mutually exclusive of the terms "school supply," "school art supply," and "school computer supply," and may be taxed differently. The following is an all-inclusive list:

1. Reference books;
2. Reference maps and globes;
3. Textbooks; and
4. Workbooks.

"School computer supply" is an item commonly used by a student in a course of study in which a computer is used. The term is mutually exclusive of the terms "school supply," "school art supply," and "school instructional material," and may be taxed differently. The following is an all-inclusive list:

1. Computer storage media; diskettes, compact disks;
2. Handheld electronic schedulers, except devices that are cellular phones;
3. Personal digital assistants, except devices that are cellular phones;
4. Computer printers; and
5. Printer supplies for computers; printer paper, printer ink