

11th Annual Back to School State Sales Tax Holiday

Iowa's 11th annual sales tax holiday will begin at 12:01am on Friday, August 6th, and end at midnight Saturday, August 7th. This does not include Sunday. All businesses open these days are required to participate.

Iowa enacted its sales tax holiday in 2000, the second state to do so. Eighteen states and the District of Columbia now have similar programs.

Despite recent budget woes, legislators chose not to suspend the sales tax holiday.

Applies to Clothes and Shoes Priced Under \$100

Iowa's exemption only applies to clothing or footwear costing less than \$100. However, it does not include items designed primarily for athletic or protective use or accessories such as jewelry, watches, handbags, wallets, or rented items. It also does not apply to clothing alterations or repairs.

- Split-Items: Items normally sold as one unit cannot be separated to lower the cost of each item to less than \$100.
- Manufacturer's coupons or rebates do not reduce an item's price to determine whether it is less than \$100, but a store coupon does reduce the price.
- Gift Certificates: Items bought with a previously issued gift certificate are tax exempt. The sales of gift certificates are already tax exempt, so no tax refund is owed the buyer of the gift certificate.
- A layaway sale is tax exempt, even if final payment is made after the tax holiday.
- A mail order sale is tax exempt, if ordered and paid for during the tax holiday, even if delivered after the tax holiday.

For more information, and a list of eligible items, contact the Iowa Department of Revenue at (515) 281-3114, or by visiting their website at: www.iowa.gov/tax.