

Back to School is Cool

By Reg P. Wydeven
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Our family has had a great summer vacation so far. My son's baseball team took second place in their tournament, my daughter helped backstage at TeenStage's great production of 'The Addams Family,' and my wife spent a week at a dude ranch in Wyoming with her friends riding horses.

But while they're having all this fun, in the back of their minds they know school is creeping up on them. The stores have Back-to-School displays everywhere and school supplies line the shelves. This year we have to buy our daughter a new laptop because her old one died.

While it's great to have a vacation from school, wouldn't it be great to have a vacation from taxes, especially when we have to buy all these expensive school supplies? Well this weekend we do.

This year, Wisconsin introduced what is known as a "Sales Tax Holiday." From Wednesday, August 1, through today, Sunday, August 5, the sale of certain back to school items are exempt from sales tax.

The sales tax exemption applies to individual items of clothing costing less than \$75, computers less than \$750, computer supplies less than \$250, and traditional school supplies costing less than \$75 each. According to Rick Chandler, the Wisconsin Secretary of Revenue, "We're just trying to help families who are raising children with a little bit of tax relief to offset some of the costs they have...kind of the things that people tend to buy for the back-to-school season."

Some similar items don't qualify for the exemption, such as cell phones, cameras, exercise and sporting equipment, video game consoles, appliances and TVs. Likewise, clothing accessories, like belt buckles, purses, jewelry, sunglasses and watches, aren't eligible either.

You don't have to go to a store to take advantage of the exemption either. You can buy supplies online, by mail, or over the phone, and still qualify for the sales tax exemption as long as you order and pay for the items during the sales tax holiday, even if the items are delivered after the deadline.

Wisconsin is one of about 20 states around the country that is offering a sales tax holiday, and most happen in early August. The idea behind the exemption is to give parents a break on expensive supplies, while bolstering business for retailers.

Massachusetts even permanently adopted a sales tax-free weekend in August starting next year. Echoing Chandler's sentiments, Mass. Governor Charlie Baker said, "The sales tax holiday gives consumers a much needed break and supports business across the Commonwealth for our hardworking retailers."

While the holiday helps businesses and consumers, it hurts the states. Experts estimate the exemption costs Mass. about \$20 million a year and almost \$15 million in Wisconsin. Skeptics are concerned these lost dollars could have been put to good use. They argue that saving money on school supplies doesn't help if the schools are run down. Others speculate that stores raise prices on supplies knowing shoppers will take advantage of the sales tax exemption.

Accordingly, some states have done away with the sales tax holiday. Georgia, for example, scrapped the holiday after two non-profit think tanks that research taxes, the conservative Tax Foundation and the liberal Georgia Budget & Policy Institute, argued it was counter-productive.

So the sales tax holiday may not be back next year, but I'm just glad it's here the year I need to buy a laptop. If you need any last minute pens or notebooks, better run out to the store now.

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