



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

Susan Combs

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

512-463-4070
1-800-531-5441

FAX • 512-475-0345
www.window.state.tx.us

Contact: Allen Spelce
R.J. DeSilva
(512) 463-4070

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Sales Tax Holiday Brings Relief to Family Budgets

(AUSTIN) — With the rising cost of gasoline, groceries and other goods, the annual clothing sales tax holiday will help families' back-to-school budgets go farther, Texas Comptroller Susan Combs said today.

Combs announced that the 10th annual sales tax holiday will take place Aug. 15-17. During the tax holiday weekend, most clothing and shoes priced less than \$100 can be purchased tax free. The tax break applies to both children's and adults' apparel.

"We estimate shoppers will save about \$54 million in sales tax during the sales tax holiday, including approximately \$42.1 million in state sales tax and \$11.9 million in local sales taxes," Combs said.

The shoppers' gain is not expected to have a significant impact on sales tax collections.

"Though the national economy has slowed, Texas sales tax revenue continues to grow at a healthy pace," Combs said. "Through June, state sales tax collections for fiscal 2008 were up 6.1 percent compared to the same point in fiscal 2007. Cities' and counties' calendar year-to-date sales tax revenues were up an average of 5.1 percent."

A list of items that will be tax exempt during the sales tax holiday is available on the Comptroller's Web site at http://www.window.state.tx.us/taxinfo/taxpubs/tx98_490/tx98_490.html.

Combs reminds families that school backpacks and messenger bags costing less than \$100 are now included in the sales tax holiday, but school supplies are taxable.

Since 1999, the clothing sales tax holiday has saved shoppers more than \$388 million in state and local sales taxes.

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