

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2914

STATE OF NEW JERSEY

DATED: JUNE 23, 2022

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2914.

The bill establishes an annual “back-to-school” sales tax holiday during the ten-day period up to and including Labor Day. During this ten-day period, certain retail sales of school supplies and equipment and sport or recreational equipment sold to an individual purchaser for non-business use are exempt from the sales and use tax. In 2022, the proposed sales tax holiday will run from Saturday, August 27 through Monday, September 5.

Under the bill, tax exempt school supplies and equipment during the holiday include: (1) school supplies, such as pens and pencils, notebooks, and binders; (2) school art supplies, such as paints and paintbrushes, clay, and glazes; (3) school instructional materials, such as maps, globes, reference books, and workbooks; (4) computers; and (5) school computer supplies, such as computer storage equipment, printers, and personal digital assistants, with a sales price of less than \$1,000 per item.

The bill also exempts computers with a sales prices of less than \$3,000 per item from the sales and use tax during the holiday. Retail sales of computers and school computer supplies with a sales price greater than or equal to \$3,000 remain subject to tax during the holiday.

The bill also exempts sport or recreational equipment from the sale and use tax during the holiday. These products include, but are not limited to, ballet and tap shoes, baseball and hockey gloves, cleated or spiked athletic shoes, mouth guards, roller and ice skates, and sports and motorcycle helmets.

FISCAL IMPACT:

The Executive estimates that exempting certain retail sales of school supplies and equipment and sport or recreational equipment from sales and use tax during the sales tax holiday will result in total annual State revenue losses of \$75 million to the General Fund and Property Tax Relief Fund.