

COUNCIL AGENDA SUMMARY

TO: Mayor Craft & Members of the City Council
FROM: Marcy Kichler, Revenue Supervisor
SUBJECT: Proposed "Back to School" Sales Tax Holiday
DATE: April 4, 2016

ISSUE: The 2016 "Back to School" Sales Tax Holiday begins at 12:01 a.m. on Friday, August 5, 2016 and ends at twelve midnight on Sunday, August 7, 2016. As required by Rule 810-6-3-65, a participating county or municipality shall submit a certified copy of their adopted resolution or ordinance providing for the Sales Tax Holiday, and any subsequent amendments thereof, to the Alabama Department of Revenue before July 5, 2016.

BACKGROUND: In 2006, the State of Alabama passed into law Act No. 2006-574, hereinafter referred to as "The Act", creating an annual State sales tax holiday. The holiday occurs during the first weekend of August to allow back to school shoppers the opportunity to purchase certain school related supplies, clothing and equipment free of state sales tax.

PREVIOUS COUNCIL ACTION: The city has participated in this program annually adopting an Ordinance authorizing a City Sales Tax Holiday. Ordinance 1783 provided for sales tax holiday in 2015.

BUDGET IMPLICATIONS:

RECOMMENDATION: Approve sales tax holiday for 2016, and subsequently on the first full weekend of August thereafter until rescinded.

RELATED ISSUES: None

ATTACHMENTS: ADOR Notice and List of tax exempt items

DEPARTMENT: Finance and Admin

STAFF CONTACT: Marcy Kichler