



The Commonwealth of Massachusetts
House of Representatives
State House, Boston 02133-1054

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Rep. Smola Backs Sales Tax Holiday for August 15-16

BOSTON – Representative Todd M. Smola (R-Warren, Ranking Member, Committee on Ways & Means) is pleased to announce that Massachusetts residents will soon be able to enjoy a two-day reprieve from the state sales tax, thanks to the Legislature’s approval of a sales tax holiday for mid-August.

Representative Smola joined with his colleagues this week to approve the sales tax holiday, which will take place on the weekend of August 15th and 16th. The proposal was approved on a vote of 136-20 in the House of Representatives and 27-11 in the Senate. Governor Charlie Baker, a supporter of the sales tax holiday, is expected to sign the measure into law within the next few days.

“This is great news for the taxpayers of the Commonwealth,” said Representative Smola. “While I would prefer to see the sales tax rate permanently restored to 5 percent, I am pleased to be able to provide this temporary tax break for my hard-working constituents, and to create an environment that will help to stimulate increased sales activity for local businesses in my district.”

During the sales tax holiday, businesses will be allowed to waive the 6.25 percent state sales tax on most consumer purchases totaling \$2,500 or less. The sales tax will still apply to all telecommunications, tobacco, utilities, motor vehicle, motorboat, and meals purchases, as well as any single item with a price in excess of \$2,500.

Massachusetts first offered a one-day sales tax holiday in 2004 before expanding it to a two-day event the following year. With the exception of 2009, the state has offered a

sales tax holiday every summer during the month of August since 2004. This year's sales tax holiday will be the 11th one offered in the past 12 years.

According to a new study conducted by the Beacon Hill Institute for Public Policy at Suffolk University on behalf of the Retailers Association of Massachusetts, the sales tax holiday is expected to boost retail sales by \$112 million to \$231 million during the two-day period. Although the state will lose a projected \$19.5 million in sales tax revenues, the study predicts that the sales tax holiday will generate \$50 million in investment income and \$37 million in real disposable income for consumers.

For additional information please contact Representative Smola at Todd.Smola@mahouse.gov or (617)722-2100.

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