



AB 2274 – Back-to-School Tax Holiday

Background

AB 2274 will create a Back-to-School Tax Holiday to allow school supplies bought the third weekend of July to be exempt from California State sales tax.

Problem Being Addressed

California has the highest statewide sales tax in the nation at 7.25%. Local governments can add up to an additional 2% with voter approval.

In 2022, eighteen other states offered a sales tax holiday for school supplies.

According to the National Retail Federation, families planned to spend an average of \$848.90 on school items in 2021, which was \$59 dollars more than in 2020. School supplies are a necessity for student's success.

Exempted purchases would include school supplies such as calculators, pencils, notebooks, and other items with a sales price less than \$100. It would also exempt the first \$1,000 off the total sales price for electronic items such as printers or laptops.

As Californians face high costs of living, we can provide a much needed reprieve to the increasing costs of school supplies.

Which code section is affected?

This bill would add and repeal section 6372 of the Revenue and Taxation Code.

Summary

AB 2274 creates a Back-To-School Tax Holiday, allowing an exemption of the sales tax on school supplies. This bill will provide relief to low income families to ensure their students' success.

Staff Contact

Caroline Strouse:
Caroline.Strouse@asm.ca.gov

Supporters

Pending