

# SB1718



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB1718

Introduced 2/5/2025, by Sen. Michael E. Hastings

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Back-to-School Sales Tax Holiday Act. Provides that no sales tax shall be imposed on eligible merchandise purchased by any individual or entity in the State of Illinois during the sales tax holiday period. Provides that the sales tax holiday period is the period beginning at 12:01 a.m. on the first Friday in August and ending at 11:59 p.m. on the following Sunday. Provides that "sales tax" means the taxes imposed under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Effective immediately.

LRB104 08114 HLH 18160 b

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the  
5 Back-to-School Sales Tax Holiday Act.

6 Section 5. Purpose. The purpose of this Act is to create a  
7 temporary sales tax holiday in Illinois to help reduce the  
8 financial burden on families during the back-to-school season,  
9 provide relief to businesses, and support economic recovery by  
10 encouraging consumer spending.

11 Section 10. Definitions. As used in this Act:

12 "Eligible merchandise" means tangible personal property  
13 sold for use by students in the classroom or related  
14 educational activities, including, but not limited to:

15 (1) Clothing with a sales price of \$125 or less per  
16 item.

17 (2) School supplies, including notebooks, pens,  
18 pencils, and other similar items.

19 (3) Computers and computer software for noncommercial  
20 use with a price of \$1,000 or less.

21 (4) Backpacks and other similar items used by students  
22 for carrying school materials.

1 "Sales tax" means the taxes imposed under the Use Tax Act,  
2 the Service Use Tax Act, the Service Occupation Tax Act, and  
3 the Retailers' Occupation Tax Act.

4 "Sales tax holiday period" means the period beginning at  
5 12:01 a.m. on the first Friday in August of each year and  
6 ending at 11:59 p.m. on the following Sunday.

7 Section 15. Sales tax holiday.

8 (a) During the Sales Tax Holiday Period, no sales tax  
9 shall be imposed on eligible merchandise purchased by any  
10 individual or entity in the State of Illinois.

11 (b) The exemption applies to all eligible merchandise, as  
12 defined in Section 10, that is purchased for personal use. The  
13 exemption does not apply to:

- 14 (1) merchandise purchased for resale;  
15 (2) items purchased for use in a business or trade; or  
16 (3) digital goods or services.

17 Section 20. Administration and implementation.

18 (a) The Department of Revenue shall be responsible for the  
19 administration and implementation of this sales tax holiday.  
20 The Department shall provide guidance to retailers and the  
21 public regarding the items eligible for the sales tax holiday.

22 (b) The Department of Revenue shall conduct an information  
23 campaign to inform consumers and businesses about the dates  
24 and scope of the sales tax holiday, including the types of

1 merchandise that are eligible for exemption.

2 Section 25. Reporting.

3 (a) The Department of Revenue shall collect data and  
4 report on the total amount of sales tax revenue lost due to the  
5 sales tax holiday. This report shall be provided to the  
6 Governor and the General Assembly no later than 90 days  
7 following the conclusion of the sales tax holiday.

8 (b) The Department of Revenue shall also provide an  
9 assessment of the economic impact of the sales tax holiday on  
10 the State economy, particularly in terms of retail sales and  
11 consumer spending.

12 Section 30. Severability. If any provision of this Act is  
13 held invalid, the invalidity shall not affect other provisions  
14 of this Act that can be given effect without the invalid  
15 provision, and to this end, the provisions of this Act are  
16 severable.

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.