



VIRGINIA RETAIL MERCHANTS ASSOCIATION  
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# News

**IMMEDIATE RELEASE**

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## **Savings ahead for Virginians A “Sales Tax Holiday” being signed into law**

**(RICHMOND)** — A holiday from paying sales tax on back to school items and clothing passed the legislature in Virginia and the bills will be signed into law today. Virginia Retail Merchants Association (VRMA) the only statewide voice for retailers has worked tirelessly to pass legislation since they first proposed the legislation in 1999. Laurie Peterson president of Virginia Retail Merchants Association stated, “Its passage is especially important now that nearly all of Virginia’s surrounding states will have a sales tax holiday this year and Virginia retailers would have been placed at a competitive disadvantage without it.”

Several bills were submitted in both Chambers of the legislature. The final bills that passed were those of Senator McDougle and the late Delegate Parrish. Senator McDougle, the other legislators that put in similar bills and VRMA’s president will join the Governor as he signs the bill into law today.

The "Holiday" will occur the first weekend in August beginning Friday, August 4 and continuing through midnight on Sunday August 6<sup>th</sup>. It will include individual school items up to \$20, and clothing and footwear items up to \$100 each. Peterson said “VRMA’s original bill also included computers; however, this provision was taken out by the legislature due to state financial concerns.”

There is also a provision that will likely be confusing to many consumers. The provision allows any retailer whose items are not covered by the holiday to advertise and pay the tax themselves in order to piggy back on the hype of the sales tax holiday. This is currently against the law in Virginia; however it will be allowed for a limited time frame around the holiday. Some retailers will choose to take advantage of this provision; however, those with lower profit margins are likely not to take advantage of this part of the legislation. The confusion will set in when one retailer decides to include an item and pay the tax for the consumer and another retailer does not. Ultimately the consumer may see a particular item tax free at one store and not at another.

President Peterson said “The legislation will be particularly helpful to families as the list of school supplies and their kids grow, but everyone gets to take advantage of the “holiday”. Our retailers are excited since they are expecting a lot of traffic in their stores, and for those stores bordering another state; they will be especially excited to have that traffic back for that weekend.”

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*The Virginia Retail Merchants Association was established in 1905. VRMA is a not-for-profit trade association representing retailers to educate, inform, and serve as a resource. VRMA and its retail member associations represent more than 5,400 retailers and other associated businesses throughout the Commonwealth of Virginia.*

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