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State lawmakers and tax authorities typically market sales tax holidays to consumers. The [New Mexico Taxation and Revenue Department's Tax Holiday page](#) announces, "Coming soon to a retail store near you is the annual New Mexico Gross Receipts Tax Holiday." Headlines scream about the opportunity to purchase clothing, school supplies, and other items sales tax free.

In general, tax holidays are easy for consumers. It's the retailers who sell affected goods into multiple states that need to watch out for them.

[This article first appeared on the [Avalara blog](#).]

Five sales tax holiday challenges for sellers

1. **Knowing when and where they are.** Sales tax holidays are plentiful during the

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- knowing what taxes to collect and not collect can be complex. Sales tax holidays apply to all applicable (i.e., state and local) taxes in most states. However, some states allow local taxing jurisdictions to opt out. To ensure you're compliant, you need to know which taxes need to be collected — or not collected — on each transaction.
4. **Knowing the rules.** Each state has its own rules regarding deliveries, exchanges, gift certificates, layaways, reporting, and so forth. The exemption may extend to delivery charges, for example, or it may not. These are the types of nitty-gritty details you need to get right to be sales tax compliant.
5. **Knowing price restrictions.** Every state except South Carolina imposes price restrictions on eligible goods. For example, clothing must cost \$75 or less to be eligible for the exemption in Ohio; in Oklahoma, the exemption applies to clothing and footwear priced less than \$100.

Keep the above considerations in mind as you enter the high season for sales tax holidays [if you have an obligation to collect sales tax](#) in any of the states listed below.

States with sales tax holidays in July 2019

Alabama back-to-school sales tax holiday, July 19–21, 2019. Qualifying sales of books; clothing; computers and computer software and supplies; and school supplies are exempt from state sales tax. Local tax may apply, depending on the location of the transaction. The most up-to-date list of participating localities may be found at the Alabama Department of Revenue.

Mississippi annual sales tax holiday, July 26–27, 2019. Qualifying sales of clothing and footwear are exempt from state and local sales tax.

Tennessee annual sales tax holiday July 26–28, 2019. Qualifying sales of clothing, computers, and school and art supplies are exempt from state and local sales tax.

States with sales tax holidays in August 2019

Arkansas back-to-school tax-free period, August 3–4, 2019. Qualifying clothing,

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~~Iowa clothing and footwear sales tax holiday, August 2–3, 2019.~~ Qualifying clothing and footwear are exempt from state and local sales tax.

Shop Maryland Tax-Free Week August 11–17, 2019. Qualifying clothing, footwear, backpacks, and bookbags are exempt from state sales tax. There's no local sales tax in the Old Line State.

Massachusetts sales tax holiday, August 17–18, 2019. Perhaps the most wide-reaching sales tax holiday. Tangible personal property with a sales price of \$2,500 or less is exempt from state sales tax. There's no local sales tax in the Bay State.

Mississippi Second Amendment sales tax holiday, August 30–September 1, 2019. Qualifying ammunition, firearms, and hunting supplies are exempt from state and local sales tax.

Missouri's back-to-school sales tax holiday, August 2–4, 2019. Qualifying clothing, computers, and school supplies are exempt from state sales tax. Local sales tax may apply; local taxing jurisdictions may opt to participate or not.

New Mexico's back-to-school tax-free period, August 2–4, 2019. Qualifying clothing, computers, computer-related items, and school supplies (including bookbags, calculators, and globes) are essentially tax free. Retailers aren't required to participate. If they do participate, they may absorb the tax on non-qualifying items.

Ohio's sales tax holiday, August 2–4, 2019. Qualifying clothing, school instructional materials, and school supplies are exempt from state and local sales tax.

Oklahoma's annual tax-free period, August 2–4, 2019. Qualifying clothing and footwear are exempt from state and local sales tax.

South Carolina's annual sales tax holiday, August 2–4, 2019. Qualifying clothing, computers, school supplies, and select bed and bath items are exempt from state and

local sales tax.

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If your business makes sales of qualifying items and has an obligation to collect sales tax in any of the states listed above, now would be a good time to get your proverbial ducks in a row. [Sales tax software](#) can help.

Additional details about these and other 2019 sales tax holidays are available [here](#).

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This article first appeared on the [Avalara blog](#). Gail Cole began researching and writing about sales tax for Avalara in 2012 and has been fascinated with it ever since. She has a penchant for uncovering unusual tax facts, and endeavors to make complex sales tax laws more digestible for both experts and laypeople.

Sales Tax • Small Business

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