

1 AN ACT regarding taxation.

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

4 Section 5. The Use Tax Act is amended by adding Section  
5 3b as follows:

6 (35 ILCS 105/3b new)

7 Sec. 3b. Tax holiday for clothing and footwear.

8 (a) Notwithstanding any other provision to the contrary,  
9 no tax shall be imposed under this Act upon the privilege of  
10 using in this State an individual item of clothing or  
11 footwear designed to be worn about the human body purchased  
12 at retail from a retailer if that item of clothing or that  
13 footwear (i) is purchased for a selling price of \$200 or less  
14 and (ii) is purchased from 12:01 a.m. on the first Friday in  
15 August through midnight of the Sunday that follows 9 days  
16 later. Any discount, coupon, or other credit offered either  
17 by the retailer or by a vendor of the retailer to reduce the  
18 final price to the customer shall be taken into account in  
19 determining the selling price of the item for purposes of  
20 this holiday.

21 (b) A unit of local government may, by ordinance adopted  
22 by that unit of local government, opt out of the tax holiday  
23 imposed by this Section and continue to collect and remit the  
24 tax imposed under this Act during the tax holiday period.

25 (c) Articles that are normally sold as a unit must  
26 continue to be sold in that manner; they cannot be priced  
27 separately and sold as individual items in order to be  
28 subject to the holiday. For example, if a pair of shoes  
29 sells for \$250, the pair cannot be split in order to sell  
30 each shoe for \$125 to qualify for the holiday. If a suit is  
31 normally priced at \$250 on a single price tag, the suit

1 cannot be split into separate articles so that any of the  
2 components may be sold for less than \$200 in order to qualify  
3 for the holiday. However, components that are normally  
4 priced as separate articles may continue to be sold as  
5 separate articles and qualify for the holiday if the price of  
6 an article is less than \$200.

7 Section 10. The Retailers' Occupation Tax Act is amended  
8 by adding Section 2-75 as follows:

9 (35 ILCS 120/2-75 new)

10 Sec. 2-75. Tax holiday for clothing and footwear.

11 (a) Notwithstanding any other provision to the contrary,  
12 no tax shall be imposed under this Act upon persons engaged  
13 in the business of selling at retail an individual item of  
14 clothing or footwear designed to be worn about the human body  
15 if that item of clothing or that footwear (i) is purchased  
16 for a selling price of \$200 or less and (ii) is purchased  
17 from 12:01 a.m. on the first Friday in August through  
18 midnight of the Sunday that follows 9 days later. Any  
19 discount, coupon, or other credit offered either by the  
20 retailer or by a vendor of the retailer to reduce the final  
21 price to the customer shall be taken into account in  
22 determining the selling price of the item for purposes of  
23 this holiday.

24 (b) A unit of local government may, by ordinance adopted  
25 by that unit of local government, opt out of the tax holiday  
26 imposed by this Section and continue to collect and remit the  
27 tax imposed under this Act during the tax holiday period.

28 (c) Articles that are normally sold as a unit must  
29 continue to be sold in that manner; they cannot be priced  
30 separately and sold as individual items in order to be  
31 subject to the holiday. For example, if a pair of shoes  
32 sells for \$250, the pair cannot be split in order to sell

1 each shoe for \$125 to qualify for the holiday. If a suit is  
2 normally priced at \$250 on a single price tag, the suit  
3 cannot be split into separate articles so that any of the  
4 components may be sold for less than \$200 in order to qualify  
5 for the holiday. However, components that are normally  
6 priced as separate articles may continue to be sold as  
7 separate articles and qualify for the holiday if the price of  
8 an article is less than \$200.

9 Section 90. The State Mandates Act is amended by adding  
10 Section 8.26 as follows:

11 (30 ILCS 805/8.26 new)

12 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6  
13 and 8 of this Act, no reimbursement by the State is required  
14 for the implementation of any mandate created by this  
15 amendatory Act of the 92nd General Assembly.

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