

2013 Massachusetts Tax Free Weekend



by
Michael
Silvia

Each year, during one weekend in August, Massachusetts hosts a tax free weekend to help boost retail sales in our state. This allows shoppers to save 6.25% on most purchases. Last year the tax free weekend was between 13-14 August. The 2013 Massachusetts tax free weekend will take place from August 10-11, 2013 and is estimated to save shoppers over \$20 million. What does a tax free weekend mean for you? Here are some guidelines to follow:

- Shoppers do not pay the 6.25% Massachusetts sales tax on individual, tangible items totaling \$2,500. If you buy 10 qualifying items that are less than

\$2,500 each, all of them are tax free. It doesn't matter what your total purchase is, just that each item is less than \$2,500. This includes internet items.

- You are allowed to use coupons to bring each item to less than \$2,500.
- The items must be for personal use. Businesses do NOT get to take advantage the tax free weekend.
- If an item is one penny over \$2,500, the entire amount is taxed. For example, if you purchase an item for \$2,600 you are taxed the entire amount NOT the \$100 difference.
- Items that are NOT tax exempt include motor vehicles, motorboats, meals, telecommunications services, gas, steam, electricity, tobacco products and of any single item whose price is in excess of \$2,500.
- If you spend more than \$2,500 on clothing you are allowed to take the standard \$175 clothing deduction/exemption. For example, a customer buys a wedding dress on the sales tax holiday for \$2,550. Tax is due on \$2,375 (\$2,550 – \$175).
- Layaway sales do not qualify for the sales tax holiday.

Mass.gov has not posted the 2013 rules on their website yet, but the 2012 rules are posted and should be used as a reference until the 2013 Massachusetts Sales Tax Holiday Weekend guidelines are posted.