

*The following news release was issued by Gov. Bob Riley's press office on Tuesday, April 25, 2006.*

**OFFICE OF GOVERNOR BOB RILEY  
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## Governor Riley Signs Sales Tax Holiday

MONTGOMERY – Governor Bob Riley on Tuesday signed into law legislation that creates Alabama's first statewide sales tax holiday for back-to-school shoppers.

“At a time when families need it most, this change will let them keep more of their hard-earned dollars. It will offer tax relief to Alabama families from the burden of the state's sales tax on items their children need for school,” Governor Riley said at a Target department store in Montgomery, where he signed the bill into law.

The sales tax holiday – which will fall on the first Friday, Saturday and Sunday in August each year – is expected to save Alabama consumers \$3.3 million annually.

“Not only does it help families stretch their budgets further, it also helps our economy,” Governor Riley said. “It will bring more consumers into Alabama businesses and that creates and sustains good jobs. We've got an economy right now that is in its best shape ever. Our unemployment rate has never been lower. But when we've got a chance to make it even better, we need to seize it and we are.”

The latest unemployment report shows Alabama with a 3.3 percent unemployment rate.

Governor Riley called for instituting the sales tax holiday during his State of the State Address in January. It was sponsored in the House by Representative Mac Gipson, who has introduced legislation to create a sales tax holiday for three years. Its Senate sponsor was Senator Zeb Little, and the bill had the strong backing of the Alabama Retail Association.

The three-day sales tax holiday in 2006 will fall on August 4-6. It applies to:

- clothing costs up to \$100 per item;
- computers, software and computer supplies costing up to \$750 per item;
- school supplies and textbooks up to \$50 per item; and
- other books up to \$30 each.

The new law gives cities and counties the option to join the state in the sales tax holiday by waiving their local sales taxes during the same weekend in August.

Governor Riley said he hopes all local governments will take part. “It would make the

entire state a ‘sales tax free zone’ and increase the opportunity for taxpayers to save money,” the Governor said.

Twelve other states, including Georgia and Florida, have passed similar sales tax holidays on back-to-school purchases.

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For more information, contact the Governor’s Press Office at 334-242-7150 or visit [www.governor.state.al.us/](http://www.governor.state.al.us/).