

Info Sheet 2

Sales Tax Holidays

Theme 3: Fairness in Taxes
Lesson 2: Regressive Taxes

Sales taxes are considered regressive because they tend to take a larger percentage of income from low-income taxpayers than from high-income taxpayers. To make such taxes less regressive, many states exempt basic necessities such as food from the sales tax. Some states have “sales tax holidays” in which no state taxes are charged on certain items for a certain period of time.

Here is how tax holidays are “celebrated” in two states. Notice that both states chose to have their holidays in August, a month when many people take time off from work and a time when people shop for back-to-school items.



We are creating opportunities for our children and their families to embrace technology.

—Former Pennsylvania Governor
Tom Ridge

A sales tax holiday is a limited time period where a state allows sales tax to be waived or reduced on certain items. These holidays are short in duration and are limited to items listed per state. See <https://www.salestaxinstitute.com> for a list of the states that participate.