



THE VOICE OF FLORIDA RETAILING

227 S. Adams Street
Tallahassee, FL 32301-1720
(850) 222-4082
(888) FL-RETAIL (357-3824)
FAX: (850) 561-6625
www.frf.org

NEWS

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CONTACT: Rick McAllister, 850-222-4082; Lisa Hall, 850-681-3200

Excitement building for Back-To-School Sales Tax Holiday *Retailers and Consumers Have a Reason to Celebrate*

Tallahassee – Summer vacation is far from over, but across Florida retailers are already gearing up to handle the rush when the popular back-to-school sales tax holiday makes its return August 13th-15th.

Held eight times since 1998, state legislators dropped the back-to-school sales tax holiday the past two years—cautioned by strict budget restraints. This year, lawmakers approved a three-day tax holiday which will give parents a much-needed break at the cash register and provide a boost for the state's retail economy. According to the Florida Retail Federation, the excitement is already building as stores stock up on merchandise, establish marketing and sales strategies, and plan for additional staffing that will be needed to handle the crowds.

“Retail stores love the sales tax holiday, because it pulls people into the stores. Consumers love it because everybody wins,” said Rick McAllister, president and CEO of the Florida Retail Federation, a non-profit trade association with more than 11,000 members. “Working families get a real break at a time when they really need it, and not just through a tax break. With all the consumer attention, retailers battle for the most appealing discounts in order to win shoppers from competitors.”

Even the state will come out ahead. Last fall, an economic study conducted by the Washington Economics Group showed that the overall boost in economic activity generated by back-to-school sales tax holidays yields a net increase in tax revenues. Researchers concluded that sales tax holidays spark additional spending that boosts the state's critical retail sector, in turn increases demand, expands payroll and grows tax revenues because shoppers are buying more than just school supplies.

Results of a recent survey by the Google retail research team back that up. Of those planning to take advantage of sales tax holidays on school supplies, 46 percent said they will be purchasing other things for themselves during that time.

“We think taxpayers in this state deserve a break, and we need to incentivize them to be able to go out and be the consumers they'd like to be, and hopefully give some energy to a struggling economy,” said Representative David Rivera, the house sponsor of the legislation.

Retailers are certainly energized by the prospects for increased sales. According to McAllister, small and large stores alike are finalizing strategies to attract customers while they are in the mood to spend. FRF members hope a big response from shoppers this year will make the case for expanding the tax free shopping period in 2011 and beyond.

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The Florida Retail Federation is a statewide trade association with more than 9,000 members, representing an industry that contributes about three quarters of Florida's gross domestic product. Retailing is Florida's second largest employment industry, providing more than \$25 billion in wages annually and one out of five jobs in the state.