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DOLLARS & SENSE: School shopping, tax free or not

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Celebrating a holiday that no longer exists could feel a little like the Mad Hatter's Unbirthday Party. But Georgia retailers, who lamented the General Assembly's decision not to enact a Tax Free Weekend this back-to-school season, are behaving as if the legislation passed anyway.

JCPenney at Oglethorpe Mall has a slew of specials and will open at 7 a.m. Saturday.

"We've developed a good customer base over the years," said store manager Tom Duff. "That's helped our bottom line a lot."

Although everyone is feeling the pinch of the recession, he said, the past few months have been leveling off.

"We just wanted to do something for the customers," Duff said.

Had it survived, this coming Thursday through Sunday would have been a time where school supplies, clothing and other seasonal necessities would have been exempt from state and local taxes. For many store owners, this time was the third busiest sales weekend behind Black Friday and the weekend before Christmas.

Many have been experiencing slow sales growth for the past few months and would have loved to see the boost. Surrounding states such as South Carolina, Florida and Alabama have decided to keep their tax-free weekends intact. To date, 18 states have declared some sort of tax-free weekend for back-to-school shopping.

Trying to convince the state legislature that the holiday actually increases revenue, the Georgia Retail Association commissioned a study showing that during last year's tax-free weekend, state merchants contributed $33 million in new revenues from

payroll taxes; sales taxes for items that didn't fall under the exemptions; increased corporate taxes; and taxes from other kinds of business.

That would add up to another $20 million to offset the estimated $12.5 million lost in tax collections.

I've heard both sides of the argument and though I'm not one for fence-sitting, I say since there's nothing you can do now, save where you can.

Although I try to stay loyal to stores that have good prices and great service, I've been known to look for school stuff at consignment shops and thrift stores. Once the shine of the first month wears off, everything looks like they've had it for a while anyway.

My two bean poles need new pants every year, and I've learned to stick to actual school uniform pants. I've bought nice dress pants only to see the knees shred before sweater weather is upon us.

Even though the 7 percent saved by tax-free holidays wasn't much, just about every store had additional savings that made it worth fighting the crowds. Besides, it became kind of a ritual for us. Armed with school supply lists, we'd brave the traffic and have one last carefree day before school started.

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