

## Birmingham-area retailers count on sales tax holiday as a summer ‘Black Friday’

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*Mattie Beavers, manager of the Land's End Shop at Sears in the Riverchase Galleria puts out new merchandise in anticipation of this weekend's sales tax holiday. (The Birmingham News/Joe Songer)*

Barry Levin, owner of David Barry's Big Tall at Colonial Brookwood Village, is pumped up as he prepares for the Friday kickoff of Alabama's holiday weekend.

His store is offering special deals on suits and is expecting a big crowd as Alabama launches its sixth annual tax free holiday weekend.

“This event is giving an incredible boost to retailers. It's getting stronger every year,” Levin said. “It's a great way for us to clean out summer merchandise and gets folks in our stores at a time when we really need it.”

Across metro Birmingham, many retailers are offering big discounts on back-to-school items exempt from taxes such as clothing, shoes, computers, notebooks and other school accessories. Shops in centers such as The Summit on U.S. 280 have extended hours, and many retailers are offering special sales on items not free from taxes as well.

“The tax free holiday has become sort of the ‘Black Friday’ weekend of the summer,” said Betsy Holloway, an associate professor of marketing at Samford University’s Brock School of Business.

She is referring to the weekend after Thanksgiving, the traditional start of the all-important shopping season for retailers.

Tax-free holiday sales start at 12:01 a.m. Friday and end at midnight Sunday. Alabama’s 4 percent sales tax will be exempted on certain back-to-school items, along with the sales taxes in a record 272 participating cities and counties statewide.

More than two dozens communities in the Birmingham area are participating; financially-strapped Jefferson County is not waiving its 2 percent tax.

Items exempt from taxation include clothing \$100 or less, school supplies valued at \$50 or less, books \$30 or less and computers or computer equipment \$750 or less.

Levin said his David Barry’s store is covering taxes on items costing more than \$100. “We sell a lot of suits and want to help our customers,” he said.

Holloway said 17 states nationally now hold some form of tax-free holiday usually coinciding with back to school season, a trend she says started in New York in 1997. Some states hold tax-free holiday periods of five days to a week, Holloway said.

She suggested that customers compare prices ahead of time, and check out the Alabama Department of Revenue web site to find out what items are exempt and which are not.

Michele Casper, spokeswoman for Lands’ End Shops at Sears, an arm of Sears Holding Co., is giving shoppers \$20 off purchases of \$75 or more from Friday through Sunday at its locations across Alabama, including one at the Riverchase Galleria in Hoover. Lands’ End sells school clothing, uniforms, shoes, backpacks and casual apparel.

A Lands’ End survey of parents found that across the country, 81 percent of parents will shop during upcoming tax-free holidays, up 9 percent from a year ago. Forty-two percent of respondents said they will travel up to 25 miles for tax-free opportunities, while 1 out of 6 shoppers (16 percent) said they are willing to travel up to 50 miles to take advantage of such deals.

“While not surprising, given the heightened state of people’s concerns about the economy, it is interesting that shoppers will do whatever they can to get the greatest quality at the best value,” Casper said. “That includes traveling a little further for great savings.”

Jamie Robinson, marketing director at The Shops of Grand River in Leeds, said the outlet mall that opened last October is expecting big crowds at its first tax-free holiday weekend. She said the mall is approaching its 2 millionth customer.

“I expect traffic to be comparable to what we see on Black Friday,” said Robinson, adding that many of the 65 stores have cut prices even deeper than their outlet mall prices.

Justice, a girls store that opened Wednesday at Shops of Grand River, has a 40 percent off sale on girls’ merchandise through Aug. 15, Robinson said. For folks who buy two school uniforms, VF Outlet is offering a third uniform for free and a 20 percent discount on JanSport backpacks through Sunday, she said.

### **Win-win situation**

Holloway of Samford University said tax-free holidays are a win-win for both retailers and consumers. She said Alabama’s past five tax free holiday results have shown sales have increased during that period, with many businesses generating enough sales for items not exempt to make up for lost taxes.

“It’s something that families like me have built into their budgets and plan in advance for,” said Holloway, who has kids aged 9 and 12. “National data show that experts expect people to spend more than they did a year ago, even consumer confidence remains weak. This is an important event for retailers because we’ve seen dramatic changes in consumer behavior.”

The Summit started a special deal to entice folks to shop at the center this week. Folks who spend \$250 at five stores or restaurants there between Aug. 1 and this Sunday will receive a \$25 gift card good for retailers at The Summit, said Elisa Nelson, marketing manager.

The Gap has a special friends and family promotion with deals from today through Sunday, and Belk is staying open an extra hour (til 10 o’clock tonight through Saturday and 7 p.m. on Sunday).

“We have a lot of great promotions going on here at the Summit,” Nelson said.

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