



Sales and Use Tax - Information Release

ST 2023-01 – Sales Tax Exemption for Baby Products

Introduction

Am. Sub. H.B. 33, Ohio’s Operating Budget, included several new exemptions related to children and childcare that become effective on October 1, 2023. This release is to provide additional guidance related to what is included in these exemptions.

Guidance

Children’s Diapers:

R.C. 5739.02(B)(60) exempts the purchase of children’s diapers from sales tax and includes new definitions of both children’s and adult diapers. Under this section, a diaper is considered an absorbent garment worn by humans who are incapable of or have difficulty controlling their bladder or bowel movements. "Children's diapers" are those marketed to be worn by children, while an “adult diaper” is one other than a children’s diaper.

Therapeutic and Preventative Creams and Wipes:

R.C. 5739.02(B)(61) exempts from sales tax “[s]ales of therapeutic or preventative creams and wipes marketed primarily for use on the skin of children.” Note that this exemption only applies to either topical therapeutic or preventative treatments, and they must be marketed primarily for children’s use for the exemption to apply. Standard “grooming and hygiene products,” such as soaps, cleaning solutions, shampoo, suntan lotions and sunscreens, would not apply, regardless of whether they would be considered an over-the-counter-drug.

Child Restraints and Booster Seats:

R.C. 5739.02(B)(62) exempts from sales tax “[s]ales of a child restraint device or booster seat that meets the national highway safety administration standard for child restraint systems under 49 C.F.R. 571.213.” To qualify, the product must meet the federal safety standards specific to child restraint and booster seats. Such standards can be reviewed at <https://www.ecfr.gov/current/title-49/subtitle-B/chapter-V/part-571/subpart-B/section-571.213a>.

Cribs:

R.C. 5739.02(B)(63) exempts from sales tax “[s]ales of cribs intended to provide sleeping accommodations for children.” These products must also meet federal safety standards in 16 C.F.R. 1219 or 16 C.F.R. 1220 to qualify for the exemption. These standards can be found at <https://www.ecfr.gov/current/title-16/chapter-II/subchapter-B/part-1219> and <https://www.ecfr.gov/current/title-16/chapter-II/subchapter-B/part-1220>.



Strollers:

R.C. 5739.02(B)(64) exempts from sales tax “[s]ales of strollers meant for transporting children from infancy to about thirty-six months of age that meet the United States consumer product safety commission safety standard for carriages and strollers under 16 C.F.R. 1220.” Once again, the stroller must meet these federal safety standards to qualify for the exemption. The standards can be found at <https://www.federalregister.gov/documents/2016/06/09/2016-13663/revisions-to-safety-standard-for-carriages-and-strollers>. If compliant with federal safety standards, such strollers may include folding or collapsible strollers, convertible car seats/strollers, and jogging strollers.

Frequently Asked Questions:

Here are some typical questions asked by taxpayers regarding the taxability of baby products followed by the Ohio Department of Taxation’s (ODT) responses based on provisions of the Ohio Revised Code. These Q&As are provided to help you understand how the law applies to your business.

1. When does the new exemption start?

This exemption will go into effect on October 1, 2023 and will only apply to sales on or after this date.

2. Is there a limit for how much I can spend before it’s taxable?

There is no limit on the amount or value of products that can be purchased with this exemption.

3. What do I do if I am charged sales tax on these products?

If you believe you were wrongly charged sales tax on an exempt product, you can apply for a sales tax refund by completing a ST AR Form, which can be found at https://tax.ohio.gov/static/forms/sales_and_use/generic/st-star.pdf. Be sure to follow the instructions on the worksheet and include proof of payment.

4. If I order these products online from a company located outside Ohio, will I have to pay sales tax?

No, the exemption applies to any purchases made while living in or located in Ohio, regardless of the location of the vendor. If you find that you have been charged sales tax on an online purchase of an exempt product, see response #3, above.

Questions?

Please visit tax.ohio.gov/FAQ to view our frequently asked questions. Additionally, you may call ODT at 1-888-405-4039 (1-800-750-0750 for persons who use text telephones (TTYs) or adaptive telephone equipment) to speak with a representative.