

# SALES TAX INFORMATION



## **COLD FOOD PRODUCTS:**

Sales of “cold food products” such as produce, candy, cold sandwiches, baked goods, ice cream, and snack foods are generally not taxable (for exceptions, see Combination packages).

However, certain vending machine sales of candy and other food products are partially taxable.

## **HOT PREPARED FOODS:**

Sales of “hot prepared food products” are taxable. This includes food products, items, components, or beverages heated for sale and sold at any temperature higher than the air temperature of their sales location. Examples include hot pizza, hot nuts, hot barbecued chicken, hot sandwiches, and hot soup.

Sales of food prepared to be served hot are taxable even if the food has cooled by the time it is served.

## **COLD BEVERAGES:**

Sales of carbonated beverages—including carbonated bottled water—are also taxable.

“To go” sales of noncarbonated and non-effervescent bottled water and juice are not taxable (see Combination packages).

Special rules for hot beverages are discussed under Hot prepared foods, below.

## **COMBINATION PACKAGES**

Combination packages are two or more items sold together for one price. The application of tax will vary depending on the type of combination package sold.

Contents of combination packages and how tax applies:

1. A hot prepared food item or hot drink and any other food item. Examples: Hot coffee and a pastry; hot sandwich and a cold drink. Full price is taxable.
2. All cold food Not taxable.
3. Carbonated drink and at least one cold food item. Example: Cold sandwich, chips, a cookie, and a carbonated drink. The portion of the selling price that represents the charge for the carbonated or drink is taxable.

### **EXAMPLES:**

1. Hot coffee and pastry sold together for \$3.50. The full \$3.50 price is taxable.
2. Cold sandwich sold with a cookie and chips for \$5.75. The sale is not taxable.
3. Cold sandwich package in B. sold with a carbonated soft drink for \$6.00, with the soft drink normally priced at \$1.00. Tax applies to \$1.00.

## **WHERE DINING FACILITIES ARE PROVIDED:**

Sales of food, meals, or beverages are generally taxable when sold ready to eat at a location where your organization provides any of the following:

- Tables, chairs, or counters for dining.
- Trays, glasses, dishes, or other tableware for your customers’ use.

Example: Your organization sells ice cream sundaes at a free community fair where tables and chairs are available for use by your customers. Your sales are taxable.

