



Sales and Use Taxes on Meals

Purpose: This Policy Statement explains when food will be subject to sales and use tax as a meal. As of October 1, 2019, sales of meals and certain beverages are subject to tax at both the standard 6.35% rate and an additional 1% tax, for a total effective tax rate of 7.35% for meals. This rate is also effective for all meals sold by grocery stores, which previously taxed meals in a different manner than other eating establishments.

Taxable Meals: The sale of all meals, regardless of cost, is subject to sales and use taxes at the rate of 6.35% for sales occurring on and before September 30, 2019, and at the rate of 7.35% for sales occurring on and after October 1, 2019.

Meal is defined as food products that are furnished, prepared or served in such a form and in such portions that they are ready for immediate consumption. A *meal* includes food products that are sold on a “take out” or “to go” basis and that are actually packaged or wrapped.

Taxable meals include:

- All food and beverages sold for human consumption at the seller’s location; **and**
- Food products ordinarily sold in such form and portions that are ready for immediate consumption at or near the location of the seller. This includes prepared foods, prepackaged foods, hot foods, and foods heated on the premises for the purchaser.

A meal may be a full dinner or it may be a single item. Meals are subject to sales and use taxes whether they are served at the location of the seller, delivered to the purchaser’s location, or sold on a takeout basis.

Examples of Taxable Meals: Food for immediate consumption constituting taxable meals includes, but is not limited to:

- Sandwiches, grinders, and wraps;
- Popsicles, ice cream cones, cups, sundaes, and other individual servings of frozen desserts unless sold in factory prepackaged multi-unit packs;

- Ice cream, frozen yogurt, and other frozen desserts sold in containers of less than one pint;
- Salads sold at salad bars;
- Lettuce or greens-based salads sold in containers of 8 ounces or less;
- Salads that are not greens-based (macaroni, potato, pasta, fruit, etc.) sold in containers of 8 ounces or less;
- Donuts, muffins, rolls, bagels, and pastries (5 or fewer);
- Cookies sold loose (5 or fewer when cookies are sold by quantity, or less than 8 ounces when cookies are sold by weight);
- Pies or cakes by the slice;
- Prepackaged or factory-sealed bags or packages of 5 ounces or less of chips, popcorn, kettle corn, nuts, trail mix, crackers, cookies, snack cakes, or other snack foods, unless sold in factory prepackaged multi-unit packs;
- Pizza, whole or by the slice;
- Cooked chicken sold by the piece, including buckets of chicken, and whole cooked chickens;
- Cooked ribs sold by the piece or portion and whole racks of ribs;
- Hot dogs served on a bun or heated;
- Bagels that are individually prepared;
- Soup sold in containers of 8 ounces or less, unless sold in factory prepackaged units;
- Smoothies;
- Meal replacement bars;
- All beverages provided with the sale of a taxable meal;
- Food sold at a hot buffet;
- Food that is cooked to order;
- Popcorn, kettle corn, nuts and any other snack foods that are kept warm for purchase; **and**
- Items such as salads, side dishes, and rolls, when sold as part of family pack meals typically including, whole chickens or buckets of chicken, when prepared and sold for immediate consumption, even when the items exceed the weight or quantity limits specified above.

Taxable Drinks: The sale of all spirituous, malt liquors, vinous liquors, soft drinks, sodas, and all other beverages that are of a type ordinarily dispensed at bars and soda fountains, are subject to sales and use taxes at the rate of 6.35% for sales occurring on and before September 30, 2019, and at an effective rate of 7.35% for sales occurring on and after October 1, 2019.

Examples of Taxable Drinks: Sales of drinks subject to tax include, but are not limited to:

- Beer, including nonalcoholic beer;
- Fruit juices, sweetened beverages, soft drinks, and soda;
- Carbonated water;
- Coffee or tea (ready to consume, hot or iced);
- Distilled alcohol such as brandy, rum, whiskey, gin, vodka, and tequila;
- Fountain drinks of any kind;
- Hard cider;
- Kombucha tea, and other naturally carbonated beverages;
- Malt liquor;
- Milkshakes;
- Hot chocolate;
- Syrup-flavored crushed ice drinks; **and**
- Wine.

A corkage fee, which is imposed by an eating establishment for its wait staff to open and serve an alcoholic beverage that it permits customers to bring to the eating establishment, is subject to sales tax at the effective 7.35% rate.

Bulk Sales: The sale of food items in bulk is **not** generally considered a taxable sale. Exempt bulk items are those items sold in quantities, forms, or portions larger than those ordinarily considered to be for immediate consumption, or larger than those ordinarily sold by eating establishments or grocery stores for immediate consumption.

For example, whole loaves of bread and whole cakes and pies are considered bulk food items and, therefore, are not subject to sales and use taxes. However, whole cooked chickens, whole racks of ribs, or trays of pasta, when sold by eating establishments or grocery stores, are considered food items for immediate consumption and are subject to sales and use taxes. Items sold in quantities or portions larger than those specifically noted in the lists above are considered bulk sales. Therefore, they are not generally taxable meals.

Eating Establishments: An *eating establishment* means a place where meals are sold. All retail establishments that sell taxable meals are *eating establishments*. These include, but are not limited to:

Banquet halls	Hot dog carts
Bars	Hotels or boarding houses
Big-box retailers	Ice cream trucks
Cafeterias	Online retailers
Caterers	Pharmacies or drug stores
Cocktail lounges	Pizzerias
Coffee or donut shops	Private or social clubs
Convenience stores	Refreshment stands
Delicatessens	Restaurants
Diners	Sandwich shops
Discount stores	Snack bars
Drive-ins	Specialty food stores
Fast food outlets	Street vendors
Fish markets	Supermarkets
Food trucks	Sushi bars
Grinder shops	Taverns
Grocery stores	Variety stores
Health food stores	Vitamin stores

Eating establishments can be located within another location, such as a coffee shop within a clothing retailer. This does not change the nature of the eating establishment or the requirement to collect sales tax on the sales of meals.

Catering Services: Meals and beverages provided by catering services are taxable.

Catering means preparing meals and either serving the meals on premises designated by the customer, or delivering, but not serving, the meals to premises designated by the customer. Such persons are caterers even if they only serve the meals and do not provide the food products that constitute the meals.

Taxable catering services also include the preparation of trays, pans, or platters of food even if they are not delivered or not served by the caterer.

Grocery Stores: A *grocery store* means any store commonly known as a supermarket or grocery store. A *grocery store* is primarily engaged in the retail sale of a wide variety of food and beverage products and typically contains the following sections or departments: dairy; delicatessen; condiments; bread and baked goods; canned and dry goods; frozen foods; fresh, smoked, and prepared meats; poultry; fresh fruits and vegetables; household supplies; and paper goods.

Sales of meals and beverages at grocery stores are subject to the same rules as eating establishments and caterers. Under prior law, supermarkets and grocery stores were not required to collect sales tax on all meals and beverages in the same manner as eating establishments. However, the new legislation requires that grocery stores collect sales tax on all meals and taxable beverages as of October 1, 2019.

Meals Furnished with a Meeting Room, Banquet Room or Social Club Room: If a hotel, banquet hall, restaurant, or social club will not rent a room for events (such as meetings, conventions, parties, banquets, or other social functions) unless it also furnishes meals and beverages, the total charges for the room, meals and beverages are taxable at the effective 7.35% rate, whether or not the charges for the room and meals are separately stated.

If an eating establishment rents a room for events such as meetings, conventions, banquets, and parties, but does not require meals to be furnished in order to rent the room, and:

- Meals (whether banquet or buffet-style) are served or consumed in the room, the eating establishment's total charges are treated as charges for the meals and are subject to sales and use taxes, whether or not the charges for the room and meals are separately stated.
- More than one room has been rented for use at the same function with one room being used for the serving of meals and another room being used for the function such as a meeting. The eating establishment's separately stated and reasonable charge (based on prevailing rates in the area) for the room not used for the serving of meals is not treated as a charge for the meals and is not subject to sales and use taxes. If the charge for the room being used for the function is either not separately stated or not reasonable, the eating establishment's total charges are treated as charges for the meals and are subject to sales and use taxes.
- The customers rent the room for the function or event and no food or beverages are provided by the eating establishment. The eating establishment's charges to the customers for the room are not subject to sales and use taxes. If the customer hires and pays for a third-party caterer, the caterer's total charges to the customers for the meals are subject to sales and use taxes.

- A third party caterer rents the room. The eating establishment's charges to the caterer for the room are not subject to sales and use taxes. However, the caterer's total charges, including any separately stated charge for the room, to its customers are treated as charges for meals and are subject to sales and use taxes.

If an eating establishment provides a self-service table of nonalcoholic beverages and snack items for those attending a function or event, the eating establishment's charges for the nonalcoholic beverages and snack items are subject to sales and use taxes at the 7.35% rate, but its separately stated room charges are not taxable.

Delivery Services: A delivery business that takes orders from customers for meals and beverages that it purchases from restaurants to resell and deliver to the customers must charge sales tax on the charges for the meals, including its delivery fee in the taxable gross receipts. The food delivery business may purchase the meals and beverages without paying sales tax by providing a resale certificate to the restaurant. If the delivery business fails to provide a resale certificate to the restaurant, then the delivery business would be responsible for paying the sales tax to the restaurant.

Purchases on Resale: An eating establishment, caterer or grocery store that furnishes non-reusable items with meals and beverages may purchase such items without payment of sales tax by issuing a resale certificate to the supplier.

Examples of items furnished with meals or beverages that may be purchased on resale include:

- Paper napkins;
- Paper, plastic or Styrofoam plates, bowls and cups;
- Paper, plastic or Styrofoam boxes, paper bags, and other nonreturnable containers used to hold meals;
- Plastic tableware;
- Straws;
- Plastic cup lids;
- Toothpicks; **and**
- Stirrers.

However, sellers of meals may only purchase flowers for resale if they are chosen by the customer and are kept by the customer after the meal.

Eating establishments, caterers and grocery stores are the final consumers of most other items that they

purchase or lease for use in furnishing meals and beverages and must pay sales and use taxes on these purchases or leases. Examples of items that eating establishments, caterers, and grocery stores use or consume in providing meals and beverages include linens, tablecloths, chairs, tables, china, silverware, barware, food warmers, chafing dishes, tents, and cooking equipment.

Exempt Sales of Meals and Beverages:

Circumstances under which sales of meals and beverages **are exempt** from sales and use taxes include:

- Sales of meals and beverages to or by nonprofit charitable hospitals, nonprofit nursing homes, nonprofit rest homes, and nonprofit residential care homes in this state for the exclusive purposes of the institutions.

Conn. Gen. Stat. § 12-412(5); see also Informational Publication 2002(11), Nonprofit Hospitals, Nonprofit Nursing Homes, Nonprofit Rest Homes, and Nonprofit Residential Care Homes.

- Sales of meals and beverages served or sold **on premises** to patients in hospitals, or residents or care recipients of residential care homes, convalescent homes, nursing homes, rest homes, assisted living facilities, senior centers, and day care centers. In addition, candy, confectionery, and all beverages are included in the exemption for sales of meals in these facilities.

Conn. Gen. Stat. § 12-412(9); see also IP 2002(11).

- Sales of meals and beverages in a student cafeteria, dining hall, dormitory, fraternity, or sorority maintained in a private, public or parochial school, college or university, when sold to students and staff of the institutions. Sales made using prepaid meal plan cards or arrangements are exempt, as are sales of candy, confectionery, and non-alcoholic beverages. Sales of meals and beverages purchased off campus with prepaid meal card plans are also exempt.

Conn. Gen. Stat. § 12-412(9); see also Special Notice 2003(1), Exempt Sales of Food and Beverages at Schools and Care Facilities.

- Sales of items for not more than \$20 each by Connecticut eleemosynary organizations for the purposes of youth activities, and by accredited elementary and secondary schools for school purposes.

Conn. Gen. Stat. § 12-412(26); see also Policy Statement 2002(3), Sales and Use Tax Exemptions for Sales by Eleemosynary Organizations and Elementary and Secondary Schools.

- Sales of meals and beverages to any center of service for elderly persons as described in Conn. Gen. Stat. § 17a-310(d).

Conn. Gen. Stat. § 12-412(35); see also SN 2003(1).

- Sales of home delivered meals and beverages made by a nonprofit organization to persons who are sixty years of age or older, have physical disabilities or are otherwise homebound.

Conn. Gen. Stat. § 12-412(46).

- Items purchased with supplemental nutrition assistance program (SNAP) benefits are exempt.

Conn. Gen. Stat. § 12-412(57).

- Sales of meals and beverages through coin-operated vending machines or at unattended “honor boxes” are exempt. Sales through coin-operated vending machines of any items costing \$0.50 or less are exempt; therefore, sales of candy, confectionery, gum, soda and all other carbonated beverages, and alcoholic beverages are taxable if the item costs \$0.51 or more.

Conn. Gen. Stat. § 12-412(27); see Policy Statement 2001(5), Sales and Use Tax Exemption for Food Sold Through Coin-Operated Vending Machines.

- Sales of tangible personal property (including meals and food items) at up to five one-day events during a calendar year, such as bazaars, fairs, picnics, or tag sales, by a nonprofit organization.

Conn. Gen. Stat. § 12-412(94); see Special Notice 98(11), Exemption from Sales and Use Taxes of Sales by Nonprofit Organizations at Fundraising or Social Events, and Policy Statement 2006(3), Purchases of Meals or Lodging by Exempt Entities.

Effective Date: Effective for sales occurring on and after October 1, 2019.

Statutory Authority: Conn. Gen. Stat. § 12-407(a)(2)(E); Conn. Gen. Stat. § 12-408(1), as amended by 2019 Conn. Pub. Acts 117, § 323; Conn. Gen. Stat. § 12-411(1), as amended by 2019 Conn. Pub. Acts 117, § 324; Conn. Gen. Stat. § 12-412(5), (9), (13), (14), (26), (27), (35), (46), (57), and (94); and Conn. Agencies Regs. § 12-426-29.

Effect on Other Documents: Policy Statement 2002(2), *Sales and Use Taxes on Meals*, is modified and superseded and may not be relied upon on or after the date of issuance of this Policy Statement.

Ruling No. 89-171, *Meals*, is superseded and may not be relied upon on or after the date of issuance of this Policy Statement.

Effect of This Document: A Policy Statement explains in depth a current Department of Revenue Services (DRS) position, policy, or practice affecting the tax liability of taxpayers.

For Further Information: Call DRS during business hours, Monday through Friday:

- **800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911.

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Forms and Publications: Visit the DRS website at portal.ct.gov/DRS to download and print Connecticut tax forms and publications.

Paperless Filing/Payment Methods (fast, easy, free, and confidential): Business and individual taxpayers can use the **Taxpayer Service Center (TSC)** at portal.ct.gov/TSC to file a variety of tax returns, update account information, and make payments online.

File Electronically: You can choose first-time filer information and filing assistance or log directly into the **TSC** to file returns and pay taxes.

Pay Electronically: You can pay taxes for tax returns that cannot be filed through the **TSC**. Log in and select the *Make Payment Only* option. Choose a payment date up to the due date of the tax and mail a paper return to complete the filing process.
