

# TAXES ARE TRICKY FOR HALLOWEEN TREATS

Is Halloween candy a trick or a treat? Both, if you're buying it in Florida! Groceries are generally exempt from the Florida sales tax, but candy can get confusing. Most of the candy that trick-or-treaters collect, and adults hand out (and eat), is subject to the 6% state sales tax and any applicable local option sales tax, so long as it costs at least ten cents. Other food items that are "similar to candy" are also taxable, including candy apples, chewing gum and breath mints (except those containing aspirin, laxative, or antacids), cotton candy, fruit-flavored sticks, jellybeans, licorice, and lollipops.

Then it gets tricky. Chocolate and glazed or sugar-coated fruit is taxable, but chocolate chips and glazed fruit are exempt when "advertised or normally sold for use in cooking or baking." Frosting, powdered sugar, and items used to decorate baked goods are also exempt.

One of these treats is a trick: marshmallow candy is taxable; marshmallows are exempt.

Ice cream and frozen yogurt is exempt if sold in containers larger than one pint, but it is taxable if sold in pints (sorry, Ben & Jerry) or smaller sizes. Popsicles, fudgsicles, frozen fruit bars, and other frozen novelties are taxable.

These goodies for trick-or-treaters are a real treat, as they are tax-free: cookies (even if chocolate-coated), nutrition bars, cracker jacks, fruit rollups, chips, cheese puffs, granola and cereal bars, nuts, and pretzels. All these treats can be covered in chocolate, candy, honey, or yogurt and remain tax-free.

If you want to celebrate Halloween with something truly scary, read the Florida Administrative Code concerning the taxation of groceries. **TRICK OR TREAT!**





# CANDY TAXES BY THE NUMBERS

Are treats tricky in other states, too?

**Sixteen** states consider candy to be groceries and are therefore exempt.

**Seven** states do not exempt groceries and therefore tax candy.

**Five** states tax groceries and candy at less than their full sales tax rate.

**Seventeen** states are like **Florida** and do not consider candy to be groceries and, therefore, tax it at the full rate.

## STATE SALES TAX RATES FOR CANDY AS OF JANUARY 1, 2014

|    |                |        |    |                |        |
|----|----------------|--------|----|----------------|--------|
| 1  | Indiana        | 7.00%  | 26 | Virginia       | 2.50%  |
| 2  | Mississippi    | 7.00%  | 27 | Utah           | 1.75%  |
| 3  | New Jersey     | 7.00%  | 28 | Arkansas       | 1.50%  |
| 4  | Rhode Island   | 7.00%  | 29 | Missouri       | 1.225% |
| 5  | Minnesota      | 6.875% | 30 | West Virginia  | exempt |
| 6  | Connecticut    | 6.35%  | 31 | Arizona        | exempt |
| 7  | Illinois       | 6.25%  | 32 | California     | exempt |
| 8  | Texas          | 6.25%  | 33 | Georgia        | exempt |
| 9  | Kansas         | 6.15%  | 34 | Louisiana      | exempt |
| 10 | Florida        | 6.00%  | 35 | Massachusetts  | exempt |
| 11 | Idaho          | 6.00%  | 36 | Michigan       | exempt |
| 12 | Iowa           | 6.00%  | 37 | Nebraska       | exempt |
| 13 | Kentucky       | 6.00%  | 38 | Nevada         | exempt |
| 14 | Maryland       | 6.00%  | 39 | New Mexico     | exempt |
| 15 | North Carolina | 5.75%  | 40 | Ohio           | exempt |
| 16 | Maine          | 5.50%  | 41 | Pennsylvania   | exempt |
| 17 | North Dakota   | 5.00%  | 42 | South Carolina | exempt |
| 18 | Wisconsin      | 5.00%  | 43 | Vermont        | exempt |
| 19 | Tennessee      | 5.00%  | 44 | Washington     | exempt |
| 20 | Oklahoma       | 4.50%  | 45 | Wyoming        | exempt |
| 21 | Alabama        | 4.00%  | 46 | Alaska         | No Tax |
| 22 | Hawaii         | 4.00%  | 47 | Delaware       | No Tax |
| 23 | New York       | 4.00%  | 48 | Montana        | No Tax |
| 24 | South Dakota   | 4.00%  | 49 | New Hampshire  | No Tax |
| 25 | Colorado       | 2.90%  | 50 | Oregon         | No Tax |

Not treated as groceries which are exempt from sales tax.

Treated as groceries which are not exempt from sales tax.

Groceries and candy taxed at lower than standard sales tax rate

Source: Florida TaxWatch from Tax Foundation data. October, 2014