

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

STATE SALES TAX RATES FOR CANDY IN 2020

1	Indiana	7.00%	26	Colorado	2.90%
1	Mississippi	7.00%	27	Virginia	2.50%
1	Rhode Island	7.00%	28	Utah	1.75%
4	Minnesota	6.875%	29	Missouri	1.225%
5	New Jersey	6.625%	30	California*	ex/8.25%
6	Arkansas**	6.50%	31	Washington*	ex/6.5%
6	Kansas	6.50%	32	Pennsylvania*	ex/6.0%
8	Connecticut	6.35%	32	West Virginia*	ex/6.0%
8	Illinois**	6.25%	34	Ohio*	ex/5.75%
8	Texas	6.25%	35	Arizona	exempt
10	Florida	6.00%	35	Georgia	exempt
10	Idaho	6.00%	35	Louisiana	exempt
10	Iowa	6.00%	35	Massachusetts	exempt
10	Kentucky	6.00%	35	Michigan	exempt
10	Maryland	6.00%	35	Nebraska	exempt
16	Maine	5.50%	35	Nevada	exempt
17	North Dakota	5.00%	35	New Mexico	exempt
17	Wisconsin	5.00%	35	South Carolina	exempt
19	North Carolina	4.75%	35	Vermont	exempt
20	Oklahoma	4.50%	35	Wyoming	exempt
20	South Dakota	4.50%		Alaska	No Sales Tax
22	Alabama	4.00%		Delaware	No Sales Tax
22	Hawaii	4.00%		Montana	No Sales Tax
22	New York	4.00%		N. Hampshire	No Sales Tax
22	Tennessee***	4.00%		Oregon	No Sales Tax

Not treated as groceries, which are exempt from sales tax in that state

Treated as groceries, which are not exempt from sales tax in that state

Groceries taxed at lower than standard sales tax rate in that state

Source: Florida TaxWatch from Tax Foundation and Bloomberg Tax data, February 2020.

* State treats candy and soft drinks differently; candy exempt, soft drinks are taxed at sales tax rate.

** Taxes groceries at lower rate, candy and soft drinks at standard sales tax rate.

*** Soda taxed as groceries (4%), candy taxed at regular sales tax (7%)