



Tax Free Turkey?

The Taxation of Groceries in Florida

As Thanksgiving nears and we think about the many blessings we have to be thankful for, here's another one to add to the list: groceries are exempt from the Florida sales tax. So when you are racking up that big grocery bill in preparation for the holiday feast, be thankful that you don't live in one of the 14 states that taxes groceries.

You can buy the turkey, stuffing, cranberries, pumpkin pie and most everything else that will be on the Thanksgiving table without having to pay Florida's state and local sales taxes, which range from 6 to 7.5 percent. But it's not always cut and dried. Generally, food is exempt as long as you prepare it yourself. If you buy a turkey, ham, or sweet potato casserole that has already been prepared by your market, you will have to pay sales tax on the purchase.

Your market's delicatessen may sell food that has been prepared on- or off-site. Food prepared elsewhere is exempt if it is sold in the original sealed container that it was delivered to the store in. If the grocer breaks it up into smaller packages, it becomes taxable. If prepared on-site, even if the store only added ingredients like sugar or onions, it is taxable. Hot food, such as rotisserie or fried chicken and hot side dishes are taxable as prepared food ready for immediate consumption. Deli meats and cheeses, even if sliced to order, are not taxable; but if it is arranged as a party platter, it is taxable. Cut up fruit or a pre-made salad is exempt, unless it is packaged with eating utensils.

Fourteen States Levy Sales Taxes on Groceries

Mississippi	7.00%	South Dakota	4.00%
Kansas	6.15%	Georgia*	3.00%
Idaho	6.00%	Virginia	2.50%
Tennessee	5.00%	Utah	1.75%
Oklahoma	4.50%	Arkansas	1.50%
Alabama	4.00%	Missouri	1.225%
Hawaii	4.00%	Illinois	1.00%

States in **BLUE** tax groceries at a lower rate than the standard sales tax

* Exempt from state tax but subject to local option taxes.
Most Georgia counties levy 3% on groceries

If your market offers free steaming or seasoning of fresh seafood you buy, pay for it first, then have them steam it. If you pay after it is steamed or seasoned, it is taxable.

Bakery products, even if prepared on-site, are exempt if sold for consumption off the premises. If the bakery has in-store eating facilities, baked goods are taxable unless specifically sold for consumption off the premises. Ergo, a donut bought in a grocery store or other bakery without eating facilities is exempt.

If the bakery has eating facilities, it is taxable. If you buy more than five donuts, and they are packaged in a box, they would be exempt even if there are eating facilities. If baked goods are kept warm, they are taxable as hot prepared food. If the product is still warm from the initial baking, they are exempt.

Candy is generally taxable, but there are some confusing rules, which we highlighted last month in *Halloween in Florida: Are Taxes on Candy a Trick, or a Treat?* Snacks, such as chips, pretzels, and nuts are exempt. Ice cream is exempt if sold in a container larger than a pint. Soda is taxable. Fruit juice is exempt if it is 100% juice; cranberry juice is exempt, cranberry juice cocktail is not.

Any beer or wine you serve is subject to the sales tax, as well as separate excise taxes. Florida's alcoholic beverage taxes are high, relative to other states. The following tables show the tax rates for beer and wine in the 50 states.

Tax Rates on Beer

1	Tennessee	\$1.17 [#]	25	Virginia	\$0.25*
2	Alaska	\$1.07	26	Connecticut	\$0.23
3	Hawaii	\$0.93*	27	Illinois	\$0.23
4	Kentucky	\$0.780 [^]	28	Michigan	\$0.20
5	South Carolina	\$0.77	29	California	\$0.20
6	North Carolina	\$0.61*	30	Texas	\$0.20*
7	Alabama	\$0.53	31	Iowa	\$0.19*
8	Florida	\$0.48*	32	Kansas	\$0.18
9	Georgia	\$0.48*	33	Ohio	\$0.18*
10	Minnesota	\$0.47 ^{**a}	34	West Virginia	\$0.18
11	Maryland	\$0.45 ^a	35	Arizona	\$0.16
12	Mississippi	\$0.43	35	Nevada	\$0.16
13	Utah	\$0.41*	37	Delaware	\$0.16
14	New Mexico	\$0.41	38	Idaho	\$0.15*
15	Oklahoma	\$0.40*	39	New York	\$0.14
16	North Dakota	\$0.39*	40	Montana	\$0.14
17	Maine	\$0.35	41	New Jersey	\$0.12
18	Arkansas	\$0.34 ^{***}	42	Indiana	\$0.12
19	Louisiana	\$0.32	43	Rhode Island	\$0.11**
	Average	\$0.33	44	Massachusetts	\$0.11
20	Nebraska	\$0.31	45	Oregon	\$0.08
21	New Hampshire	\$0.30	46	Colorado	\$0.08
22	South Dakota	\$0.27	46	Pennsylvania	\$0.08
23	Vermont	\$0.27	48	Wisconsin	\$0.06*
24	Washington	\$0.26*	49	Missouri	\$0.06
			50	Wyoming	\$0.02

Source: Distilled Spirits Council of the U.S., Inc. (ESA). 2014

* Different rates also applicable according to alcohol content, place of production, size of container, place purchased (on- or off-premise or on board airlines)

** Includes case fees and/or bottle fees which may vary with the size of container.

[^] Includes the wholesale tax rate of 11%, converted into a gallonage excise tax rate.

[#] Includes the wholesale tax rate of 17%, converted into a gallonage excise tax rate.

^a Includes sales taxes specific to alcohol beverage

Tax Rates on Wine

License States			Control States ⁽¹⁾		
1	Washington	\$35.22^	1	Oregon	\$22.73
2	Alaska	\$12.80	2	Virginia	\$19.19
3	Minnesota	\$8.71**a	3	Alabama	\$18.23
4	Illinois	\$8.55*	4	Iowa	\$12.43
5	Kentucky	\$6.76***	5	North Carolina	\$12.36
6	Arkansas	\$6.57**a	6	Utah	\$12.19
7	Florida	\$6.50*	7	Michigan	\$11.91
8	New York	\$6.44*		Control Avg.	\$11.12
9	New Mexico	\$6.06	8	Idaho	\$10.92
10	Hawaii	\$5.98	9	Montana	\$9.34
11	Oklahoma	\$5.56	10	Ohio	\$9.32
	License Avg.	\$5.51	11	Mississippi	\$7.41
12	New Jersey	\$5.50	12	Pennsylvania	\$7.21
13	South Carolina	\$5.42**	13	Vermont	\$5.86
14	Connecticut	\$5.40*	14	Maine	\$5.80
15	South Dakota	\$4.68*a	15	West Virginia	\$1.87
16	North Dakota	\$4.66*a		New Hampshire	--
17	Tennessee	\$4.46**		Wyoming	--
18	Maryland	\$4.41*a	<div>Source: Distilled Spirits Council of the U.S., Inc. (ESA). 2014</div> <div>Note: Rates are those applicable to off-premise sales of 40% alcohol by volume (a.b.v.) distilled spirits in 750ml containers.</div> <div>* Different rates also applicable according to alcohol content, place of production, size of container & place purchased.</div> <div>** Includes case fees and/or bottle fees which may vary with the size of container.</div> <div>*** Includes the wholesale tax rate of 11%, converted into a gallonage excise tax rate.</div> <div>a Includes sales taxes specific to alcohol beverage</div> <div>^ Includes the retail (17%) and distributor (10%) license fees, converted into a gallonage excise tax rate.</div> <div>(1) In control states (where government controls the sale itself) products are subject to ad valorem mark-up and excise taxes.</div>		
19	Massachusetts	\$4.05*			
20	Georgia	\$3.78*			
21	Delaware	\$3.75*			
22	Nebraska	\$3.75			
22	Rhode Island	\$3.75*			
22	Nevada	\$3.60*			
25	California	\$3.30*			
26	Wisconsin	\$3.25			
27	Arizona	\$3.00			
28	Indiana	\$2.68*			
29	Kansas	\$2.50			
30	Louisiana	\$2.50*			
31	Texas	\$2.40*			
32	Colorado	\$2.28			
33	Missouri	\$2.00			