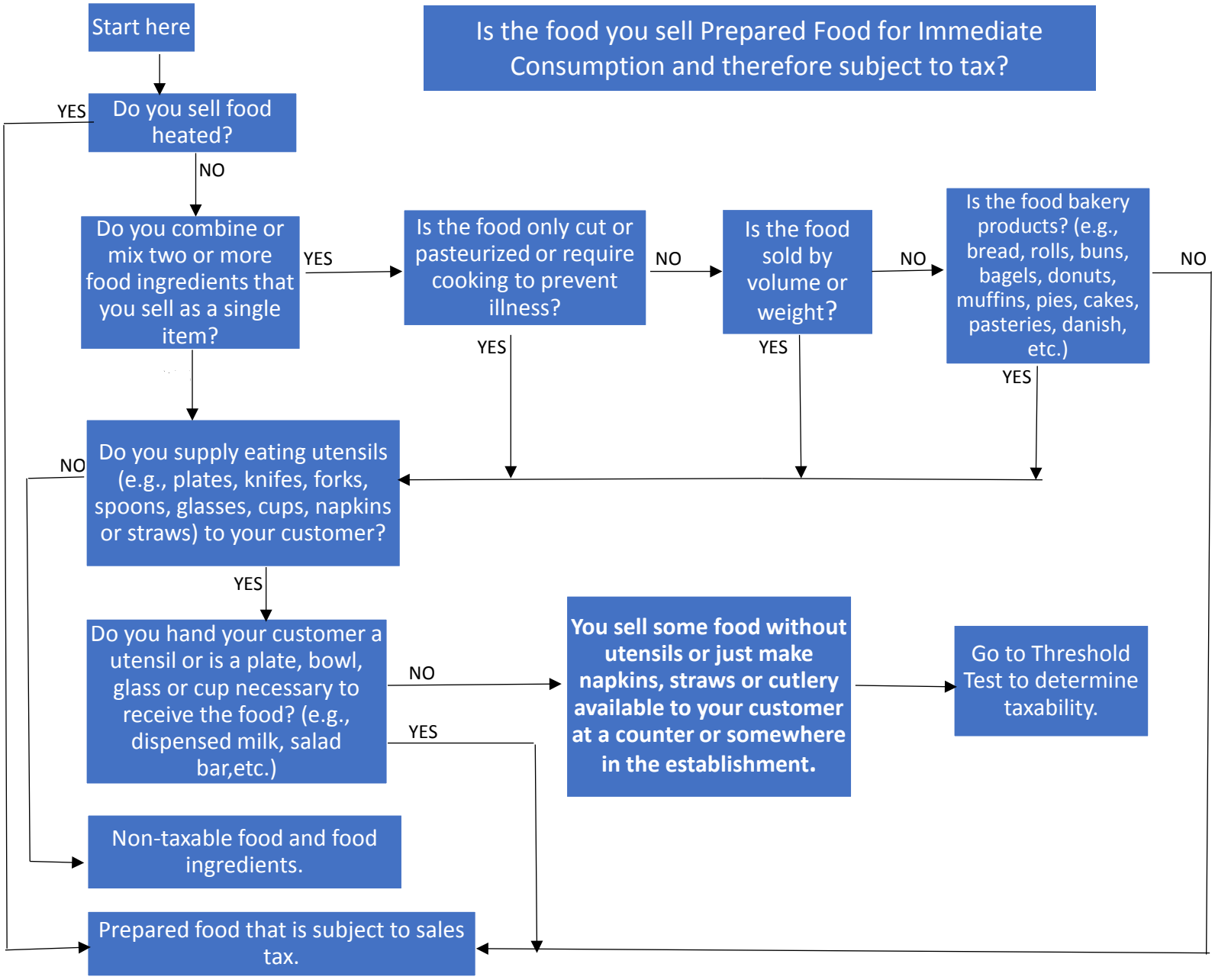
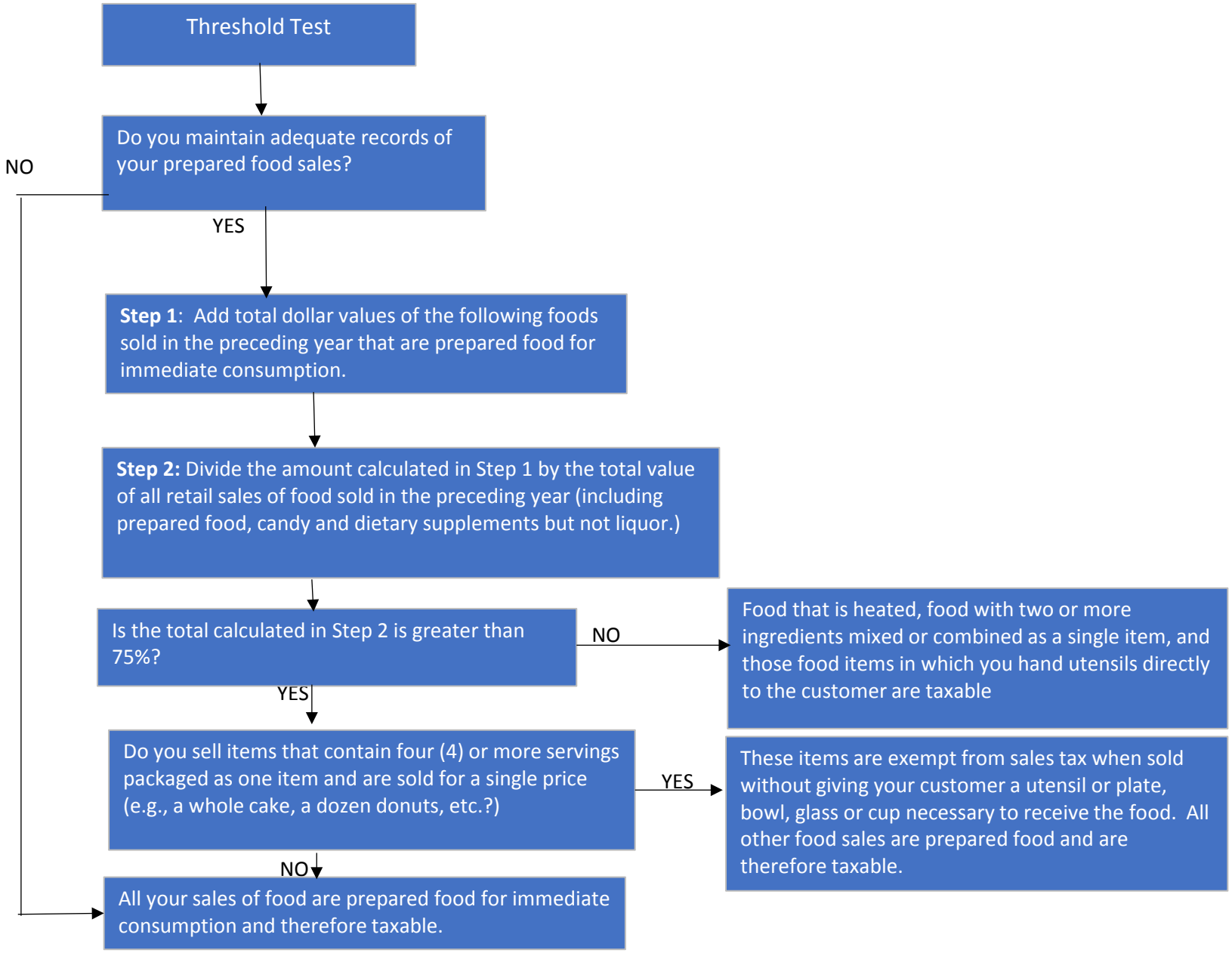

Is the food you sell Prepared Food for Immediate Consumption and therefore subject to tax?
Start here
Do you sell food heated?
YES
NO
Do you combine or mix two or more food ingredients that you sell as a single item?
YES
Is the food only cut or pasteurized or require cooking to prevent illness?
NO
Is the food sold by volume or weight?
NO
Is the food bakery products? (e.g., bread, rolls, buns, bagels, donuts, muffins, pies, cakes, pasteries, danish, etc.)
NO
YES
YES
YES
Do you supply eating utensils (e.g., plates, knifes, forks, spoons, glasses, cups, napkins or straws) to your customer?
NO
YES
Do you hand your customer a utensil or is a plate, bowl, glass or cup necessary to receive the food? (e.g., dispensed milk, salad bar,etc.)
NO
YES
You sell some food without utensils or just make napkins, straws or cutlery available to your customer at a counter or somewhere in the establishment.
Go to Threshold Test to determine taxability.
Non-taxable food and food ingredients.
Prepared food that is subject to sales tax.


Threshold Test
Do you maintain adequate records of your prepared food sales?
NO
YES
Step 1: Add total dollar values of the following foods sold in the preceding year that are prepared food for immediate consumption.
Step 2: Divide the amount calculated in Step 1 by the total value of all retail sales of food sold in the preceding year (including prepared food, candy and dietary supplements but not liquor.)
Is the total calculated in Step 2 is greater than 75%?
NO
Food that is heated, food with two or more ingredients mixed or combined as a single item, and those food items in which you hand utensils directly to the customer are taxable
YES
Do you sell items that contain four (4) or more servings packaged as one item and are sold for a single price (e.g., a whole cake, a dozen donuts, etc.?)
YES
These items are exempt from sales tax when sold without giving your customer a utensil or plate, bowl, glass or cup necessary to receive the food. All other food sales are prepared food and are therefore taxable.
NO
All your sales of food are prepared food for immediate consumption and therefore taxable.