

Candy

Taxable Subcategory of Food—See Fact Sheet 102A

102B

Fact Sheet

Sales Tax Fact Sheet 102

Legislation was passed adopting the Uniform Sales and Use Tax Administration Act proposed by the multistate Streamlined Sales Tax Project. The Act allows Minnesota to enter into the Streamlined Sales and Use Tax Agreement that sets out uniform definitions for administration of the sales and use tax law. Minnesota has adopted those definitions necessary to bring our law into conformance with the agreement.

The new streamlined definition of *candy* is explained in this fact sheet. The law change is effective January 1, 2002.

Candy is taxable. The exemption for food products does not apply to candy. "Candy" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars, drops, or pieces. Candy does not include any preparation containing flour and must require no refrigeration.

Flour: Items that contain the word "flour" as an ingredient on the label are not taxable candy. Examples of items that contain flour that are not taxable include Kit Kats, Twix, ReeseSticks, and licorice.

Refrigeration: If an item *requires* refrigeration, it is not taxable. For example, Popsicles and ice cream bars require refrigeration so they are not taxable candy. However, these items are taxable if they are prepared by the seller.

Candy that does not *require* refrigeration is taxable even if sold frozen.

Note: All food sold from vending machines, or food prepared by the seller is taxable.

Examples of **taxable candy** include:

- breath mints
- candy bars
- chocolate chips
- fruit roll-ups
- marshmallows
- caramel corn
- caramel apples
- chocolate or carob covered raisins, nuts, etc.
- sweet or semi-sweet cooking bars or chips
- gum
- honey roasted nuts, beer nuts
- trail mix that includes candy
- peanut brittle
- sugarless candy
- yogurt covered raisins, nuts, etc.

Brand names are shown for illustration purposes only and do not imply sole representation in any category.

Be sure to see the main Food Fact Sheet, #102A, and the other subcategories:

- Soft Drinks and Other Beverages, #102C
- Prepared Food, #102D
- Dietary Supplements, #102E

Also see Fact Sheet 158, Vending Machines and Other Coin-Operated Devices