

■ Changes in the Tax Rate for Food Products Dispensed from a Vending Machine

TO: Owners of Vending Machines

Beginning June 1, 1996, the tax rate that applies to the sale of certain food products you dispense from your vending machines has changed.

How do I determine the tax rate that applies?

Food products that are dispensed hot from a vending machine (*e.g.*, hot sandwiches, coffee, and hot chocolate) and soft drinks that are dispensed from a vending machine are taxable at the general merchandise tax rate.

The correct tax rate for your location is preprinted in Line 4a of your Form ST-1, Sales and Use Tax Return, or Line 4a of your Form ST-2, Multiple Site Form.

All other food products that are dispensed from a vending machine are taxable at the food, drugs, and medical appliances tax rate. This includes food that is dispensed from a vending machine, then heated by the purchaser in a microwave oven or other heating device (*e.g.*, microwave popcorn, Danish pastry, and frozen pizza).

The correct tax rate for your location is preprinted in Line 5a of your Form ST-1, Sales and Use Tax Return, or Line 5a of your Form ST-2, Multiple Site Form.

If you do not have a preprinted form and you are unsure of the correct tax rate, please call us. Our telephone numbers are printed at the bottom of this bulletin.

Does the availability of facilities used for on-premises consumption affect the tax rate?

No. The availability of facilities used for on-premises consumption (*e.g.*, seating, tables, or counter space) does not determine the tax rate that applies to the sale of food products dispensed from a vending machine.

Questions?

If you have questions or need more information, please call or write us. Our telephone numbers and address are printed at the bottom of this bulletin.

