Food for Home Consumption & Guidelines for Determining Sales Tax for Taxable Food Items

GENERAL INFORMATION

The City of Loveland does not exempt food for home consumption from sales tax. The sales tax rate on all food for home consumption is 3.0 percent.

Loveland's principal sales tax exemption guideline is based upon what can be purchased for home consumption with food stamps and WIC vouchers. (WIC is the federal supplemental food program for women, infants and children).

FOOD PURCHASED WITH FOOD STAMPS OR WIC VOUCHERS

All food purchased with food stamps or WIC vouchers are exempt from all sales taxes. Food is defined in Department of Agriculture guidelines 7 U.S.C. section 2012 (g).

Items eligible for purchase with food stamps include:

♦ Foods for human consumption at home.
♦ Seeds and plants which produce food for human consumption.

The Department of Agriculture guidelines prohibit the use of food stamps or WIC vouchers for the purchase of the following items.

These items are sales taxable:

♦ Nonfood items such as pet foods, soaps, paper products and household supplies, grooming items and cosmetics.
♦ Alcoholic beverages.
♦ Tobacco and tobacco products. (Cigarettes are sales tax exempt under Reg. 39 26-706.1)
♦ Food to be eaten in the store, hot foods ready to eat and any food marketed to be heated in the store.
♦ Food preservation equipment and items.
♦ Vitamins and medicines.
OTHER FOOD PURCHASES

The following items, IF purchased with food stamps are exempt from the 3.0 percent city sales tax, but are taxable if purchased with cash:

♦ Carbonated water marketed in containers
♦ Chewing gum
♦ Seeds and plants to produce food for home consumption
♦ Prepared salads and salad bar items
♦ Cold sandwiches
♦ Deli trays

Sales and purchases of food sold through vending machines are taxable for the City of Loveland.

NOTE: Food used by a business or commercial entity, such as coffee served to customers or employees, is subject to city sales tax.

In addition, all food and drink sold by the following establishments are taxable:

♦ Restaurants
♦ Snack shops
♦ Carryout shops
♦ Pushcarts

However, meals provided at no cost or reduced cost to employees of restaurants and other such establishments are exempt if the meal is considered part of the employee’s income.

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN’S TERMS OF THE RELEVANT LOVELAND TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE LMTC (LOVELAND MUNICPAL TAX CODE) AND APPLICABLE RULES AND REGULATIONS.