

Sales and Use Tax (Eating and Drinking Establishments)

Can the sales tax on taxable food be absorbed in the price of the meal?

No. Vendors of food for immediate consumption, like retailers selling goods, products, or tangible personal property cannot absorb the tax into the amount of the meal or item price. The sales tax amount must be separately stated on the bill or invoice.

Exception: This does not apply to those selling liquor by the drink, if they choose, or to vending machine operators, in which case the sales tax of the vending item is included in the price of the purchase. However, such retailers shall not advertise or hold out to the public in any manner directly or indirectly, that such tax is not included as part of the sales price to the consumer [[39-26-106\(2\)\(b\) C.R.S.](#)].