Sales Tax - Vending Machines

What vending machine items are exempt from state sales tax?

Most food items purchased through from a vending machine or coin operated machine are exempt. Sales and purchases of food as defined in Colorado Revised Statute 39-26-102 (4.5) exempts from state sales tax food for domestic home consumption **except for: The following items are not exempt because they are excluded from the definition of food:** carbonated water marketed in containers; soft drinks; chewing gum; candy; seeds and plants to grow foods; prepared salads (and salad bars); packaged and unpackaged cold sandwiches; canned or bottled non-alcoholic beverages that do not contain milk or milk products, soy, rice or milk products or contain less than 50% vegetable or fruit juice by volume; , deli trays; hot and cold beverages served in unsealed containers and cups that are vended by or through machines or non-coin operated coin-collecting food and snack devices on behalf of a vendor. See, §39-26-102(4.5), C.R.S. The above listed items are not defined as "food" and therefore are taxable.

Canned or bottled non-alcoholic beverages that contain milk or milk products, soy, rice or milk products or contain 50% vegetable or fruit juice by volume are exempt. However, if sold in a cup these drinks are taxable.

Unless the sale is otherwise considered exempt vending machine items that are not considered foods such as prizes, toys, or other tangible personal property in excess of 15 cents are taxable items. [See, §C.R.S. 39-26-714]., C.R.S..

Some local governments (cities, counties and special districts) do not exempt food sold through vending machines. To determine which local governments provide an exemption see the DR 1002, Colorado Sales/Use Tax Rates. [link]