

Food, Meals and Beverages.

**Question**

Are food and drink provided by businesses subject to sale or use tax?

**Answer:**

Yes, food and drink provided by businesses or commercial entity is subject to tax. For example; bottled water, snacks, coffee and donuts provided at a business meeting are subject to sales tax. In most cases if the items were purchased at a grocery store, the state sales tax was not charged at the time of sale. The business is required to remit the consumer use tax on those items that were not taxed at the time purchase.

Meals provided by restaurants or similar businesses to employee free of charge or at a discount are not subject to state sales tax.