

# OTR's GUIDANCE for SALES TAX CONCERNING FOOD

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ISSUE	AUTHORITY	GENERAL GUIDANCE
1-Combined Food Businesses	DC Official Code §§ 47-2001(g), (g-1), (n)(1)(A), (n)(2)(E) 9 DCMR § 442.2, 3	For a business that sells both food and drink for home preparation or consumption and food and drink for immediate consumption, only those foods and drinks sold for home preparation or consumption shall be exempt from District sales tax only when sold in the same form, quantities, and packaging as is commonly sold in grocery type stores. All food or drink sold for immediate consumption is subject to the District sales tax.
2-Combined Package - both Taxable & Non-Taxable	DC Official Code §§ 47-2001(n)(1) & (g)	Sale of a combination package containing both food and taxable personal property is subject to tax at the highest rate for an item included in the package where the charges for the items in the package are not separately stated and the value of the taxable item exceeds 10% of the value of the package.
3-Health Food Supplements-Sales Tax Exemption	DC Official Code §§ 47-2001(g-1) (n)(1)(A)	Health food supplements that are not “food or drink prepared for immediate consumption” within the meaning of the DC Code are not subject to the District sales tax.

The above guidance is issued as a service to District taxpayers and is intended to address frequently asked questions. The guidance may not be applicable to your specific facts and circumstances; therefore, it should not be used or cited as precedent. For purposes of tax planning, please submit a specific ruling request that identifies the taxpayer(s) and the specific issue(s) involved. As statutes and regulations are subject to change, please note the date that this guidance was released. If you have any questions regarding this guidance, please do not hesitate to contact the attorney listed above, or the Office of General Counsel at (202) 442-6500.

4-Nutraceutical Products & Dietary Supplements-Sales Tax Exemption	DC Official Code §§ 47-2001(g-1), (n)(1)(A), § 47-2005(14) 9 DCMR § 449.5	Nutraceutical Products and Dietary Supplements, that are not “food or drink prepared for immediate consumption” within the meaning of the DC Code, are not subject to the District sales tax.
5-Promotional Material For Vendors	DC Official Code §§ 47-2001(n)(1) 9 DCMR § 431.1	Promotional material, such as displays, brochures, etc, that are sold by a vendor to his distributor are subject to the 5.75% District sales tax.
6-Vitamins & Nutritional Food Supplements	DC Official Code §§ 47-2001(g-1) & (n)(1)(A)	Vitamins and nutritional food supplements, that are not “food or drink prepared for immediate consumption” within the meaning of the DC Code are not subject to the District sales tax. Retail sellers of vitamins and nutritional food supplements are not required to submit a resale certificate to the vender.

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