

# Candy

## Sales Tax Fact Sheet 102B

### What's New in 2017

Starting July 1, 2017, the only taxable food sold through vending machines is prepared food, soft drinks, candy, and dietary supplements.

Candy is taxable. Candy is the preparation of sweeteners in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars, drops, or pieces regardless of size. Candy does not include any preparation containing flour and must require no refrigeration.

### Vending machine sales

Starting July 1, 2017, the only taxable food sold through vending machines is prepared food, soft drinks, candy, and dietary supplements. Previously, all food sold through a vending machine was taxable. For more information, see Fact Sheet 158, *Vending Machines and Other Coin-Operated Devices*.

### Flour

Items that contain the word "flour," such as white, whole wheat, rice, corn, or brown flour, on the ingredient label are not taxable. Ingredients such as soy or whey used in place of flour, are not flour.

### Refrigeration

If an item requires refrigeration, it is not candy. For example, ice cream bars require refrigeration so they are not taxable. However, these items are taxable if they are prepared food. For more information, see Fact Sheet 102D, Prepared Food.

Candy that does not require refrigeration is taxable even if it is sold frozen.

### Sweeteners

Examples of sweeteners include:

- artificial sweeteners
- aspartame
- barley malt
- corn syrup
- dextrose
- evaporated cane juice
- fructose
- fruit juice concentrates
- honey
- invert sugar
- molasses
- rice syrup
- saccharin
- stevia
- sucralose
- sucrose

### Taxable Candy

Examples of taxable candy include:

- almond bark
- breath mints
- breakfast and nutrition bars without flour
- candy bars
- chocolate chips
- chocolate-coated potato chips
- fruit roll-ups
- marshmallows
- caramel corn
- caramel apples
- chocolate or carob covered raisins, nuts, etc.
- sweet or semi-sweet cooking bars or chips
- gum

*Continued*

- honey roasted and honey coated nuts, beer nuts
- peanut brittle
- sugarless candy
- yogurt covered raisins, nuts, etc.

**Note:** Cotton candy is commonly thought of as candy, but it is not candy because it is not sold in the form of bars, drops, or pieces. Cotton candy is taxable when prepared by the seller.

### **Legal References**

Minnesota Statutes 297A.61

subd. 3(d), Definitions

subd. 33, Candy

Minnesota Rule 8130.4700, Prepared Food, Candy, and Soft Drinks

### **Other Fact Sheets**

102A, *Food and Food Ingredients*

102C, *Soft Drinks and Other Beverages*

102D, *Prepared Food*

102E, *Dietary Supplements*

137, *Restaurants and Bars*

158, *Vending Machines and Other Coin-Operated Devices*