

Revenue Notice #03-01 was repealed and replaced on April 12, 2010 by Revenue Notice #10-01.

Minnesota revenue notice # 03-01

Amendment to revenue notice # 01-12

Sales and Use Tax - Prepared Food

This revenue notice amends Revenue Notice # 01-12. It explains the new provisions added to the definition of "prepared food" in *Minnesota Statutes*, section 297A.61, subdivision 31 that were passed into law after Revenue Notice # 01-12 was published.

Under *Minnesota Statutes*, section 297A.61, subdivision 31, food sold with eating utensils provided by the seller, or food sold in a heated state or heated by the seller, or two or more food ingredients mixed or combined by the seller for sale as a single item is taxable as "prepared food." Food that is only sliced, repackaged, or pasteurized by the seller is exempt unless sold with eating utensils provided by the seller.

The definition of "prepared food" was amended to exempt the following items unless they are sold with eating utensils that are provided by the seller:

- Bakery items such as bread, rolls, pastries, cookies, and tortillas are exempt effective July 1, 2002.
- Ready to eat meat and seafood in an unheated state sold by weight are exempt beginning July 1, 2002 through December 31, 2005.
- Eggs, fish, meat, and poultry when they are raw, and other foods containing these raw animal foods requiring cooking by the consumer so as to prevent food borne illnesses are exempt effective July 1, 2002.

Following are examples of food that is not taxable under the amended law unless sold with eating utensils:

- Bakery items: a bag of bagels, a loaf of bread baked by the seller; a pre-packaged slice of pie sold at a grocery store, or a bag of donuts baked by a bakery. Refer to the section on "eating utensils" in Revenue Notice # 01-12 for information on when bakery items are taxable.
- Ready to eat meat and seafood that is sold by weight and in an unheated state: honey glazed ham; sliced turkey, or cooked shrimp. Sushi that contains fish is exempt if it is sold by weight.
- Food that contains raw eggs, raw fish, raw meat, or raw poultry and requires cooking: uncooked meatloaf; marinated raw chicken; or cookie dough.
- Meat that is provided by the customer and processed by a meat processor is exempt even if it is combined with other meats that are provided by the meat processor if it is sold to the customer either (1) by weight, in an unheated state, and ready to eat (e.g., beef sticks); or (2) raw meat that requires cooking (e.g., ground meat).

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