

Supplemental Nutrition Assistance Program (SNAP) - formerly known as Food Stamp Program

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Sales Tax Fact Sheet 115

Fact Sheet

Items purchased with SNAP or WIC (Women, Infants and Children) benefits are exempt from state and local sales tax.

SNAP benefits can be used to purchase food items such as breads and cereals, fruits and vegetables, meats, fish, poultry and dairy products, or any food or beverage with a “Nutrition Facts” label.

Certain taxable items such as candy, soft drinks, chewing gum, and garden seeds and plants which produce food items are eligible for purchase with SNAP benefits.

Items with a “Supplement Facts” label are *not* eligible for purchase with SNAP benefits.

If a grocery purchase includes any taxable eligible item and SNAP benefits are used in an amount equal to or greater than the total purchase price of these items, the items are exempt under the SNAP tax exemption.

Examples:

1. A customer buys \$40.00 worth of goods at the grocery store and pays for them with \$10.00 worth of SNAP benefits and \$30.00 cash. The eligible taxable items cost \$5.00. Since \$10.00 worth of SNAP benefits is used, no sales tax applies to the sale of eligible items. Sales tax still applies to any items that cannot be purchased with SNAP benefits such as any product with a supplement facts label, paper products and cleaning supplies.
2. Same as above, except the eligible taxable items cost \$12.00. In this situation, do not charge sales tax on the \$10.00 that is covered by SNAP benefits. The \$2.00, not covered by SNAP benefits is taxable along with any other taxable items.

WIC only allows healthy food choices which are exempt from sales tax.

Legal Reference

Minnesota Statutes 297A.67, subd. 3, Food Stamps