

# Candy

**102B**

Sales Tax Fact Sheet 102B

Fact Sheet

**What's New**

All cannabinoid products that contain CBD or THC are subject to Minnesota sales tax. See Cannabinoid Products.

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**

The only taxable food sold through vending machines is prepared food, soft drinks, candy, and dietary supplements. For more information, see the Vending Machines and Other Coin-Operated Devices Industry Guide.

**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 Prepared Food Fact Sheet.

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

**Cannabinoid Products**

Cannabinoid products include products that contain either cannabidiol (CBD) or tetrahydrocannabinol (THC). CBD and THC are chemical compounds extracted from hemp.

All cannabinoid products that contain CBD or THC are subject to Minnesota sales tax.

**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
- 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

Dietary Supplements

Food and Food Ingredients

Prepared Food

Soft Drinks and Other Beverages

### Industry Guides

Food and Bar Establishments

Vending Machines and Other Coin-Operated Devices