

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 3205  
**Version:** As amended (H3725A1)

**DATE:** April 4, 2016

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**Subject:** Providing a sales tax exemption for food sold in vending machines

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### Overview

Provides a sales tax exemption for non-taxable food sold in vending machines. Currently all food sold in vending machines is taxable. Under this bill, prepared food, candy, and soft drinks, which are generally subject to the sales tax, would continue to be taxable when sold from a vending machine, unless the vending machine is located in a facility where prepared food, candy, and soft drinks are exempt when sold through other means in that facility (i.e. cafeteria or store).

Effective for sales and purchases made after June 30, 2016.

#### Section

- 1 **Sales and Purchase.** Excludes all food sold from a vending machine from the list of taxable food.
- 2 **Food and food ingredients.** Removes food sold from vending machines from the list of items excluded from the general sales tax exemption for food.
- 3 **Exempt meals at residential facilities.** Exempts food sold to patients, residents, and inmates of residential facilities through vending machines.
- 4 **Exempt meals at schools.** Exempts food sold from vending machines located in K-12 schools. Exempts food sold through a vending machine under a board contract at a college, university, or private career school.
- 5 **Other exempt meals.** Exempts food sold through vending machines to senior citizens and their spouses or disabled persons and their spouses by governmental agencies, nonprofits, churches, or through a federally funded nutrition program for the elderly.

**Section**

**6**           **Repeal.** Repeals the definition of “food sold through a vending machine.”