

Tax Help for Grocery Stores



**California State
Board of Equalization**



Grocery stores play an important role providing all Californians with their daily needs, from the family dinner to the quick stop for people on the go. They range in size from the small (mom and pop) corner store, to the convenience store, to the large national chain supermarket.

Taxes you pay to the state help fund state and local services as well as programs important to you and your community.

Thank you for your contributions to California.



BOE CAN HELP

The BOE's *Tax Guide for Grocery Stores* will help you understand how tax applies to:

- Coupons and rebates
- Cigarette, tobacco, and alcohol products
- Items purchased with food stamps
- Combination food packages
- Prescription and over-the-counter medications
- Hot and cold food sales
- Items purchased for resale
- And much more

This guide provides resources you need to comply with California's sales tax laws.

You can access the industry guides at:
www.boe.ca.gov/industry



Helpful Tax Tips for Grocery Stores

Vitamin enhanced water

Noncarbonated, vitamin enhanced water beverages and sport drinks that come in packages similar in size and volume to nonenhanced bottled water are generally considered food products. Your sales of these products on a to-go basis are generally not subject to tax.

Noncarbonated bottled water is a food product. The compounding of nutritional elements, such as vitamins, in an item traditionally accepted as food, such as vitamin enriched bread, does not alone render the product taxable nor does including the word "vitamin" in a food product name, description, or product advertising.

