State Sales Tax Rate on Food Now 4%

Thanks to the **IMPROVE Act**, the state sales tax rate on food and food ingredients has been **reduced 20%** from **5% to 4%**, plus local sales tax rate.

Food and food ingredients are things you can eat that are consumed for taste and nutritional value. These food items must be in packaged or original form, and not prepared by the seller or served as a ready-to-eat meal.

Here are some examples:

- *baby food*
- *bottled water*
- *bread*
- *canned foods*
- *cereal*
- *chips, dips*
- *coffee*
- *condiments*
- *eggs*
- *raw fish, meat, poultry*
- *fruit*
- *herbs and spices*
- *ice cream*
- *lunch meat*
- *uncooked pasta*
- *salad dressings*
- *soft drinks*
- *trail mix*
- *vegetables*
- *yogurt*

Not everything sold in a grocery store qualifies for the lower rate. Prepared food, candy, dietary supplements, tobacco & alcoholic beverages are taxed at 7%, plus local sales tax rate.

Here are some examples:

- *bakery goods and heat and eat meals*
- *sweet & semi-sweet baking chips*
- *fruit trays*
- *chewing gum*
- *cooked, smoked or dried meats, fish and poultry*
- *herbal supplements and vitamins*
- *roasted/candy coated nuts*
- *candy coated popcorn*
- *hot soups*
- *hot coffee*
- *deli dishes*

TN Department of Revenue

Questions?
Visit www.tn.gov/revenue and click "Revenue Help."