

# Food for Home Consumption



*This regulation is designed to provide general guidance. Nothing in this regulation modifies or is intended to modify the City of Loveland's municipal tax code. It is not intended for legal purposes to be substituted for the Loveland municipal tax code. Taxpayers are encouraged to consult their tax advisors for guidance regarding specific situations.*

## **Starting January 1, 2024**

By a substantial margin, Loveland voters approved ballot measure 300, a proposal to eliminate food for home consumption from the City's sales tax collections. This exemption will start January 1, 2024.

The January 2024 return that is due February 20, 2024 will be the first return to have this deduction. Businesses are required to use this deduction line for food for home consumption items.

Loveland's principal sales tax exemption guideline is based upon what can be purchased for home consumption with food stamps [U.S.C. section 2012 (g)] and WIC vouchers (WIC is the federal supplemental food program for women, infants and children.) (42 U.S.C. section 1786). Colorado statute also imposes other criteria, in addition to the food stamp/WIC guidelines. [Reg. 39-26-102.4.5]

## **Food and related items not exempt from Loveland sales tax**

The Department of Agriculture guidelines prohibit the use of food stamps or WIC vouchers for the purchase of the following items. These items are subject to the 3% Loveland sales rate:

1. Nonfood items such as soaps, paper products and household supplies, grooming items and cosmetics, and food not for human consumption, such as pet and bird food.
2. Alcoholic beverages. (cooking wine, wine vinegar and, alcohol-filled candies are exempt.)
3. Food to be eaten in the store, hot foods ready to eat and food marketed to be heated in the store.
4. Food preservation equipment and items.
5. Vitamins, dietary supplements, and medicines. (Prescription drugs are exempt under [Reg. 39-26-717.1])
6. Ice used for refrigeration.

CITY OF LOVELAND SALES TAX DEPARTMENT

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**The following items, if purchased with food stamps or WIC vouchers/checks are exempt from the 3% Loveland sales tax, but are taxable if purchased with cash**

1. Carbonated water marketed in containers.
2. Soft drinks.
3. Chewing gum.
4. Candy
5. Seeds and plants to produce food for human consumption.
6. Prepared salads and salad bar items.
7. Cold sandwiches.
8. Deli trays.

Sales and purchases of food sold through vending machines are exempt from Loveland sales tax. Sales of hot and cold beverages in unsealed containers sold by vending machines are not exempt. [39-26-102(4.5), C.R.S.]

NOTE: Food used by a business or commercial entity, such as coffee or bottled water served to customers or employees, is subject to Loveland sales tax.

In addition, all food and drink sold by the following establishments are taxable: restaurants, snack shops, carryout shops, pushcarts and other sellers of food and drink as specified in §39-26-104 (1) (e), C.R.S.

However, meals sold by colleges in dormitories, by assisted living facilities to its residents, by private clubs to its members, and by restaurants at no cost or reduced cost to employees of restaurants and other such establishments are exempt.

## **Additional resources**

The City of Loveland has adopted the Colorado Department of Revenue's food for home consumption exemption. Please review Colorado's [C.R.S 39-26-707](#) and [FYI Sales 4](#) for additional information.

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