

State and Local Meals Taxes

By: Heather Poole, Associate Analyst
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Issue

Which states impose a meals tax?

Meals Taxes

Meals taxes, also called prepared foods or restaurant taxes, are taxes on sales of prepared meals and beverages that are imposed at a rate higher than, or in addition to, the general sales tax rate. They do not apply to groceries or other food products that are not intended for immediate consumption. Some meals taxes apply statewide, but most are local taxes. We identified 21 states with meals taxes: four with statewide taxes; 16 with local taxes; and one, Vermont, with both.

Statewide Meals Taxes

Five states have meals taxes that apply statewide: Connecticut (beginning October 1, 2019), Maine, New Hampshire, Rhode Island, and Vermont. Table 1 provides the meals tax rate and general sales tax rate applicable in these states. The last column provides the difference between the two, reflecting how much more taxpayers pay on meals in each state than they do on sales of general goods and services.

Table 1: Statewide Meals Taxes

State	Meals Tax Rate	General Sales Tax Rate	Difference
Connecticut ¹	7.35 %	6.35%	1.00 %
Maine	8.00 %	5.50%	2.50 %
New Hampshire	9.00 %	None	9.00 %
Rhode Island ²	8.00 %	7.00 %	1.00 %
Vermont	Meals: 9.00 % Alcohol: 10.00%	6.00 %	Meals: 3.00% Alcohol: 4.00%

Sources: Tax Foundation, "[Punching the Meal Ticket: Local Option Meals Taxes in the States](#)" and "[State and Local Sales Tax Rates 2019: PA 19-117](#)"

¹ Effective October 1, 2019

² Uniform tax applies statewide; 1% tax is collected by the state and remitted to local governments

Local Meals Taxes

Local governments in 17 states impose meals taxes. Table 2 lists these states, the local governments authorized to impose a meals tax, and the tax rate levied. Generally, these taxes are local option taxes, meaning that state statute authorizes all or specified local governments to adopt the tax, typically by ordinance or referendum.

Local meals taxes typically apply in addition to state general sales taxes and statewide meals taxes. In some cases, local sales taxes may also apply. This recent [Tax Foundation](#) report provides a list of state and local tax sales tax rates.

Table 2: Local Meals Taxes

State	Taxing Authorities	Rate
Arkansas	Select cities and incorporated towns	Up to 3% (or up to 4% in Little Rock)
Florida	Counties	1% to 2%
Illinois	Metropolitan Pier and Exposition Authority	1%
Indiana	Certain counties and municipalities	1%
Kentucky	Select cities	Up to 3%
Louisiana	Select taxing districts	0.5 % to 0.75%
Maryland	Select "resort areas" in counties with home rule government	Up to 1%
Massachusetts	Municipalities	0.75%
Michigan	Select counties	Up to 1%
New Jersey	Municipalities in Cape May	Up to 2%
Oregon ¹	Two municipalities	5%
South Carolina	Local governing bodies	Up to 2%
Utah	Counties	Up to 1%
Vermont	Municipalities	1%
Virginia	Counties	Up to 4%
Washington	King County	Up to 0.5%
Wisconsin	Select local governments (local exposition districts and counties and municipalities in premier resort areas)	0.25% to 0.5%

Source: Tax Foundation, "[Punching the Meal Ticket: Local Option Meals Taxes in the States.](#)" state statutes, and state and local tax department websites

¹ State statute does not explicitly allow such a tax, but two municipalities have adopted a tax by referendum

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