

## INDUSTRY GUIDANCE

<b>Category:</b> Bakeries	<b>Tax Type:</b> Sales & Use Tax
<b>Brief Description:</b> Bakeries Tax Matrix	<b>Issuance Date:</b> 10-31-2022 <b>Revision Date:</b> 03-28-2025

The taxability of sales and purchases of tangible personal property and labor services by bakeries are summarized below. While this document provides general information as to the taxability of sales and purchases of tangible personal property and labor services by businesses in the bakery industry, it may not necessarily cover every situation as the taxability may depend on facts and circumstances around the specific transaction. Should a more definitive determination be desired, businesses may request a letter ruling from the Department. [MODOR Letter Ruling Page](#)

### **This list is not all-inclusive.**

Missouri sales or use tax applies to those purchases identified or designated as taxable in the chart below. The applicable Missouri sales or Missouri consumer's use tax must be paid to the vendor or accrued and remitted directly to the Missouri Department of Revenue. Purchases from Missouri vendors should be reported using the retailer's sales tax return. Purchases from outside this state which are delivered to this state are to be reported on the Missouri consumer's use tax return.

**Note:** *Whether bakeries charge the reduced food tax rate or full tax rate is determined by whether gross receipts from the sale of food for immediate consumption does or does not exceed eighty percent (80%) of the total gross receipts of that establishment. This is regardless of whether such prepared food is consumed on the premises of that establishment. Examples of bakeries that would be subject to the full rate include donut shops, cupcake and cookie shops, pretzel shops, bagel shops etc. Bakeries that typically would be subject to the reduced food tax rate would include grocery stores and convenience stores.*

*All baked goods are subject to tax and the rate assessed is dependent on whether the business meets the criteria in section 144.014.2. The baked items sold is not the determining factor, rather the establishment selling the baked goods.*

*Resale - Bakeries that are subject to the reduced food tax rate may accept a resale exemption certificate. Bakeries that are subject to the full rate fall under the provisions of Section 144.018.3 which does not permit these types of businesses to accept a resale exemption certificate, therefore tax needs to be imposed. For businesses that are subject to the full rate but have a segment of their business which sells packaged items for resale may accept a resale exemption certificate for those sales only.*

**\*Tax Rate Determination is dependent on the type of business that meets the 80/20 test.**

<b>Sales by Bakeries:</b>	<b>Taxable/Exempt</b>
Baked goods	Taxable
Baked goods for resale by bakeries subject to the reduced food tax rate	Exempt
Baked goods from bakeries subject to the full tax rate intended for immediate consumption regardless of whether or not the bakery was issued an exemption certificate	Taxable
Packaged items sold wholesale to groceries or other establishments for resale	Exempt

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<b>Sales by Bakeries (continued):</b>	<b>Taxable/Exempt</b>
Baking supplies sold at retail	Taxable
Drinks (Coffee, tea, etc.)	Taxable
Packaged drinks	Taxable
Gift certificates	Exempt
Instructional classes	Exempt
Sales made to organizations where an exemption letter was provided	Exempt

<b>Purchases by Bakeries:</b>	<b>Taxable/Exempt</b>
Items for resale	Exempt
Appliances and kitchen equipment including but not limited to: air -conditioners, microwaves, televisions, water heaters, ovens, stoves, refrigerators and freezers, coffee makers, mixers, sinks and dishwashers, pots, pans, cookware, mixing bowls, exhaust hoods, food processors, display trays, display cases and cabinets, pastry equipment and tools etc.	Taxable
Menus, candles, candleholders, condiment dispensers, napkin dispensers, salt & pepper shakers etc.	Taxable
Cloth tablecloths and napkins, dishes, glassware, silverware, uniforms, pictures, plants, décor, etc.	Taxable
Items used by the bakery such as wax paper, stretch wrap, foil, paper towels, dish soap, cleaning materials, garbage bags, etc.	Taxable
Items used for instructional classes held by the bakery	Taxable
Pastry ingredients such as flour, sugar, butter, oil, salt, etc.	Exempt
Items provided to the customer including but not limited to: bakery boxes, plastic dinnerware, drinking straws, paper napkins, paper or plastic bags, takeout boxes etc.	Exempt
Books, newspapers, and magazine subscriptions	Taxable
Canned software and software upgrades to maintain or update software delivered via CD Rom	Taxable
Canned software provided via electronic download through the internet	Exempt
Custom software and software upgrades to maintain or update software developed for a single end user	Exempt
Lease or rental of any copier, fax, vehicle etc.	Taxable
Copiers, scanners, computers, printers, and fax machines	Taxable
Educational materials such as posters, printed materials, and literature, etc.	Taxable

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<b>Purchases by Bakeries (continued):</b>	<b>Taxable/Exempt</b>
Complimentary bottled water, coffee, soft drinks, creamer, sugar, cups and stir sticks, candy etc.	Taxable
Promotional items including but not limited to: calendars, mugs, pens, clothing, balloons, etc.	Taxable
Office supplies such as office forms, staplers, paper, pens, pencils, labels, business cards, ink, toner, ribbon cartridge, etc.	Taxable
Furniture and fixtures, including but not limited to: desks, lamps, tables, chairs, artwork, signs, plants and planters, shelving, etc.	Taxable
Shelving, display racks, checkout counters, storage cabinets, display cases, scanners, cash drawers, bins and boxes etc.	Taxable
Bar code scanners, cash registers, and cash register supplies	Taxable
First aid supplies including such items as bandages, dressings and antiseptics	Taxable
Breakroom supplies such as microwaves, refrigerators, cups, and paper products	Taxable
Utilities	Taxable
Specialty advertising	Taxable
Media advertising	Exempt
Uniforms	Taxable
Donations of tangible personal property	Taxable
Food and drink provided to employees	Taxable
Repair and replacement parts for repairing, altering, or maintaining tangible personal property such as computers, printers, copiers, security equipment etc.	Taxable
Repairs, maintenance, and remodeling services to existing structure/facility through a hired contractor	Exempt
Security cameras & other security related equipment	Taxable
Security monitoring services	Exempt
Streaming music services	Exempt
Trash & cleaning services	Exempt
Shredding services	Exempt
Janitorial supplies	Taxable
Pest control services	Exempt

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<b>Purchases by Bakeries (continued):</b>	<b>Taxable/Exempt</b>
Professional services such as legal or accounting	Exempt
Warranty or service agreements for tangible personal property such as computers, printers, copiers, security equipment etc.	Exempt