

INDUSTRY GUIDANCE

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| Category: Restaurants | Tax Type: Sales, Use & Withholding Tax |
| Brief Description: Restaurants Tax Matrix | Issuance Date: 08-09-2024 |
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The taxability of sales and purchases of tangible personal property and labor services by companies in the restaurant industry 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 restaurant 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.

| Sales by Restaurants: | Taxable/Exempt |
|---|-----------------------|
| Sales of prepared foods to the public | Taxable |
| Sales of non-prepared foods | Taxable |
| Sales of meals to employees | Taxable |
| Sales of drinks (alcoholic and non-alcoholic) | Taxable |
| Room rentals | Taxable |
| Mandatory gratuity that is paid to employee and withholding tax is withheld | Exempt |
| Mandatory gratuity that is not paid to employee | Taxable |
| Redemption value of third party voucher transactions | Taxable |
| Sales to third party sellers with or without delivery | Taxable |
| Separately stated delivery charges | Exempt |
| Credit card fees, non-cash charges, convenience fees, service charges or anything similar in nature added to the bill to recoup costs | Taxable |
| Shirts, glasses, koozies, etc. | Taxable |
| Gift certificates | Exempt |

| Sales by Restaurants (continued): | Taxable/Exempt |
|---|-----------------------|
| Receipts from coin operated amusement devices owned by the restaurant | Exempt |
| Amusement devices/games which patrons rent from the restaurant, where tax was already paid on the purchase of these devices | Exempt |
| Amusement devices/games which patrons rent from the restaurant and tax was not paid on the purchase of these devices | Taxable |
| Lottery sales | Exempt |
| Sales made to exempt organizations that provided an exemption certificate | Exempt |
| *Vending machine sales | Taxable |

***Vending machine sales are taxed 135% of the cost of the item sold based on the location of the tangible personal property.**

| Purchases by Restaurants: | Taxable/Exempt |
|---|-----------------------|
| Food & drinks | Exempt |
| Prepared foods not sold to the public, complimentary, or given away | Taxable |
| Kitchen equipment/supplies including but not limited to: ovens, stoves, exhaust hoods, refrigerators, freezers, microwaves, mixers, food processors, coffee makers, dishwashers, pots, pans, mixing bowls, etc. | Taxable |
| Paper products & containers consumed by the restaurant | Taxable |
| Paper products & containers provided to customers with food and drink sales | Exempt |
| Tables, chairs, booths, stools, high chairs, booster seats, and all other furniture and fixtures | Taxable |
| Utilities | Taxable |
| Uniforms & shoes | Taxable |
| Menus, ashtrays, candles, candleholders, condiment dispensers, pictures, plants & decorations | Taxable |
| Cloth tablecloths, cloth napkins, and napkin dispensers | Taxable |
| Dishes, glassware, barware, silverware, and cookware | Taxable |
| POS systems, cash registers, register tapes, and customer tickets | Taxable |
| Coin operated amusement devices, parts and prizes owned by the restaurant | Taxable |
| Streaming music services | Exempt |
| Candies & toothpicks provided to customers at no charge | Exempt |
| Office equipment and supplies including but not limited to: computers, fax machines, writing utensils, signs, etc. | Taxable |

| Purchases by Restaurants (continued): | Taxable/Exempt |
|--|-----------------------|
| Janitorial type supplies | Taxable |
| Repair services to real property | Exempt |
| Trash & cleaning services | Exempt |
| Pest control services | Exempt |
| Media advertising | Exempt |
| Specialty advertising | Taxable |

| Withholding Tax: | Taxable/Exempt |
|--|-----------------------|
| Tips | Taxable |
| Wages | Taxable |
| Out of state entertainers paid \$300 or more | Taxable |
| Out of state entertainers paid less than \$300 | Exempt |