



## **Increase in the Exemption for Vending Machine Sales of Certain Food and Drink**

This memorandum describes recently-enacted legislation that amended the Tax Law to increase the New York State and local sales and use tax exemption amount for certain food and drink sold from vending machines.

Part II of Chapter 59 of the Laws of 2014 amended the Tax Law to provide that certain food and drink sold through vending machines for \$1.50 or less per item will be exempt from the state and local sales and use tax (sales tax). Currently, certain food and drink items sold through vending machines for \$0.75 or less per item are exempt. The increased threshold of \$1.50 or less takes effect June 1, 2014.

This sales tax exemption applies to candy, soda, and fruit drinks that contain less than 70% natural fruit juice when they are sold for \$1.50 or less per item through vending machines that accept coins, currency, or credit or debit cards.<sup>1</sup> These items are subject to sales tax when sold in grocery stores, convenience stores, etc.

**Note:** The existing exemption for all heated beverages sold from vending machines, regardless of the price, remains in effect.

Additional information on the application of the sales tax to food and beverages sold from vending machines can be found in Tax Bulletin [\*Food and Beverages Sold from Vending Machines \(TB-ST-280\)\*](#).

(Tax Law section 1115(a)(1))

NOTE: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.

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<sup>1</sup> Sales of bottled water through vending machines remain fully taxable, regardless of the price.