

DEPARTMENT OF STATE REVENUE

Commissioner's Directive #30
September 2015
(Replaces Directive #30 dated October 2013)
Effective Date July 1, 2015

SUBJECT: Local Food and Beverage Taxes

REFERENCE: [IC 6-9-12](#); [IC 6-9-20](#); [IC 6-9-21](#); [IC 6-9-23](#); [IC 6-9-24](#); [IC 6-9-25](#); [IC 6-9-26](#); [IC 6-9-27](#); [IC 6-9-33](#); [IC 6-9-35](#); [IC 6-9-36](#); [IC 6-9-38](#); [IC 6-9-40](#); [IC 6-9-41](#); [IC 6-9-43](#); [IC 6-9-45](#); [IC 6-9-45.5](#); [IC 6-9-47.5](#)

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SUMMARY OF CHANGES

Aside from nonsubstantive, technical changes, this version of the directive has been changed from the previous version to delete references to food and beverage taxes that are authorized but that have not been actually enacted and to add references to a food and beverage tax for Rockville and the Historic Hotels Food and Beverage Tax.

INTRODUCTION

The purpose of this directive is to assist retail merchants in the proper application of the food and beverage tax. Generally, in counties or municipalities that adopt a food and beverage tax, the rate is 1% of the gross retail income received from taxable food and beverage transactions. In some instances where **both a county and municipality within the county** have adopted the food and beverage tax, the total tax rate for a taxable transaction inside the municipality is 2%.

In addition to the counties or municipalities authorized by law to have food and beverage taxes, Indiana has adopted a 2% food and beverage tax for transactions occurring at the historic hotels resort in Orange County. Any reference to municipality shall include the Orange County historic hotels resort.

Various jurisdictions have been authorized to enact food and beverage taxes but have not done so at this time. These jurisdictions are not separately listed in this directive.

LOCATION OF TRANSACTION

The food and beverage tax applies only to transactions that take place in a county or municipality that adopts the tax. With regard to retail merchants that cater, the tax is not based on where the retail merchant is located. Rather, the tax is based on where the catering is provided. A retail merchant that caters in counties or municipalities that have not adopted the tax will not collect the tax on transactions in those counties and municipalities.

TRANSACTIONS SUBJECT TO TAX

The food and beverage tax applies to any transaction in which food or beverage is furnished, prepared, or served by a retail merchant for consumption at a location or on equipment provided by the retail merchant in a county or municipality that adopts the tax.

"For consumption at a location or on equipment provided by the retail merchant" includes transactions in which food or beverage is (1) served by a retail merchant off the merchant's premises, (2) sold in a heated state or heated by a retail merchant, (3) made of two or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration), or (4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws. A container or package used to transport the food is not considered a plate.

Taxable transactions include

- Food sold and served by a retail merchant that is performing catering activities;
- Food sold at a deli counter in a grocery store that is cooked or heated on the premises of the retail merchant; and
- Where the seller provides eating utensils, including plates, knives, forks, spoons, glasses, cups, napkins, or straws.

Transactions not subject to tax include:

- Sales of food that is only cut, repackaged, or pasteurized by the seller; and
- Sales of eggs, fish, meat, and poultry requiring cooking by the consumer.

EXEMPT TRANSACTIONS

The food and beverage tax does not apply to the sale of food and beverages if the transaction is exempt from the sales tax.

COLLECTION AND REMITTANCE OF THE TAX

The food and beverage tax is imposed, paid, and collected in the same manner as the sales tax. The filing of the return and the remittance of the tax collected are due 30 days after the end of the month in which the transaction occurs. The return for the food and beverage tax is a separate return from the sales and use tax return. A retailer that is required to collect and remit the tax may file a consolidated food and beverage tax return if the retailer operates multiple locations in the same county. A separate return is required to be filed by the retailer if the retailer has locations in different adopting counties.

The retailer is required to file a separate return if the retail establishment is located in a municipality inside a county where both units of government have adopted a food and beverage tax.

With the exception of Johnson County, all tax returns and remittances for the food and beverage tax are required to be filed with the Indiana Department of Revenue. Johnson County has passed an ordinance to have the tax remitted to the county treasurer. The following counties and municipalities have enacted food and beverage taxes at the following rates. **NOTE:** The total rate that applies to a transaction is the county rate plus the municipal rate, if applicable. For example, the total food and beverage tax rate for a transaction occurring in Carmel is 2%. The rate is based on Hamilton County's rate of 1% plus Carmel's rate of 1%.

UNITS IMPOSING THE FOOD AND BEVERAGE TAX

County	Rate	Effective Date
Allen County	1%	July 1986
Boone County	1%	August 2005
Delaware County	1%	August 1986
Hamilton County	1%	August 2005
Hancock County	1%	August 2005
Hendricks County	1%	August 2005
Henry County	1%	October 1987
Johnson County	1%	August 2005 (collected by county treasurer)
Madison County	1%	February 1989
Marion County	2%	July 1981 and July 2005 (rate increase)
Shelby County	1%	August 2005
Vanderburgh County	1%	August 1985

Municipality	Municipality Rate	Effective Date	County	County Rate	Total Rate
Avon	1%	July 2005	Hendricks	1%	2%
Brownsburg	1%	August 1995	Hendricks	1%	2%
Carmel	1%	August 2005	Hamilton	1%	2%
Cloverdale	1%	September 1, 2013	Putnam	n/a	1%
Historic Hotels (Orange County)	2%	July 1, 2015	Orange	n/a	2%
Lebanon	1 %	November 2005	Boone	1%	2%
Martinsville	1%	July 2005	Morgan	n/a	1%
Mooresville	1%	August 1990	Morgan	n/a	1%
Nashville	1%	July 1987	Brown	n/a	1%
Noblesville	1%	August 2005	Hamilton	1%	2%

Indiana Register

Plainfield	1%	August 1995	Hendricks	1%	2%
Rockville	1%	September 1, 2015	Parke	n/a	1%
Shipshewana	1%	July 1990	LaGrange	n/a	1%
Westfield	1%	August 2005	Hamilton	1%	2%
Zionsville	1%	November 2005	Boone	1%	2%

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