



TAXES

Table 7.15
FOOD AND DRUG SALES TAX EXEMPTIONS
(As of January 1, 2006)

State or other jurisdiction	Tax rate (percentage)	Exemptions		
		Food (a)	Prescription drugs	Nonprescription drugs
Alabama	4	...	★	...
Alaska	none	...	★	...
Arizona	5.6	★	★	...
Arkansas	6	...	★	...
California (c)	7.25 (b)	★	★	...
Colorado	2.9	★	★	...
Connecticut	6	★	★	★
Delaware	none	...	...	...
Florida	6	★	★	★
Georgia	4	★(d)	★	...
Hawaii	4	...	★	...
Idaho	5	...	...	...
Illinois (b)	6.25	1 percent	1 percent	1 percent
Indiana	6	★	★	...
Iowa	5	★	★	...
Kansas	5.3	...	★	...
Kentucky	6	★	★	...
Louisiana	4	★(d)	★	...
Maine	5	★	★	...
Maryland	5	★	★	★
Massachusetts	5	★	★	...
Michigan	6	★	★	...
Minnesota	6.5	★	★	★
Mississippi	7	...	★	...
Missouri	4.225	1.225 percent	★	...
Montana	none	...	...	...
Nebraska	5.5	★	★	...
Nevada	6.5	★	★	...
New Hampshire	none	...	...	...
New Jersey	6	★	★	★
New Mexico	5	★	★	...
New York	4	★	★	★
North Carolina (f)	4.5	★(d)	★	...
North Dakota	5	★	★	...
Ohio	5.5	★	★	...
Oklahoma	4.5	...	★	...
Oregon	none	...	...	...
Pennsylvania	6	★	★	★
Rhode Island	7	★	★	★
South Carolina	5	...	★	...
South Dakota	4	...	★	...
Tennessee	7	6 percent	★	...
Texas	6.25	★	★	★
Utah	4.75	...	★	...
Vermont	6	★	★	★
Virginia (b)	5 (b)	2.5 percent (b)	★	★
Washington	6.5	★	★	...
West Virginia	6	5 percent	★	...
Wisconsin	5	★	★	...
Wyoming (c)	4	...	★	...
Dist. of Columbia	5.75	★	★	★

Source: The Federation of Tax Administrators, January 2006.

Key:

★ — Yes, exempt from tax.

... — Subject to general sales tax.

(a) Some states tax food, but allow an (income) tax credit to compensate poor households. They are: Hawaii, Idaho, Kansas, South Dakota and Wyoming.

(b) Includes statewide local tax of 1.0 percent in California and 1 percent in Virginia.

(c) The tax rate may be adjusted annually according to a formula based on balances in the unappropriated general fund and the school foundation fund.

(d) Food sales are subject to local sales tax.