

## Prepared Food Taxable vs. Non-Taxable

This guidance is provided for informational purposes only and does not constitute legal advice or a binding interpretation. Final determinations about the taxability of food items rest with the Iowa Department of Revenue (IDR). Users should consult IDR or independent counsel for definitive guidance.

Example	“Prepared” (Taxable)	Reason for Taxable Status	Legal Basis
<b>Hot at the POS items</b> (e.g., rotisserie chicken, Chinese food, fried chicken, pizza)	Yes	Sold in a heated state	Iowa Code § 423.3(57)(f)(1); IAC 701—220.4(1)(a)
<b>Cold Pizza slice</b> - pizza made on site, day old, was hot yesterday, now wrapped in plastic and available for purchase from a cold case. There is no self-service heating option or eating facilities on the retailer's premises.	Yes	Two or more food ingredients mixed or combined by the seller for sale as a single item.	§ 423.3(57)(f)(2) IAC 701—220.4(1)(b)
<b>Cold Pizza slice</b> - pizza not made by the seller, it was only baked by the seller and is now a day old, was hot yesterday, now wrapped in plastic and available for purchase from a cold case. There is no self-service heating option or eating facilities on the retailer's premises.	No	Only repackaged by the seller	§ 423.3(57)(f)(3)(a) IAC 701—220.4(1)(a)

<p><b>Take and Bake Pizza</b> - (thawed, sold from cold case or made to order)</p>	<p>No</p>	<p>Food that is sold that ordinarily requires additional cooking by the consumer prior to consumption</p>	<p>§ 423.3(57)(f)(3)e</p>
<p><b>Cold Rotisserie chicken</b> - day old, was hot yesterday, now available for purchase from a cold case. There is no self-service heating option or eating facilities on the retailer's premises.</p>	<p>No</p>	<p>Only repackaged by the seller</p>	<p>§ 423.3(57)(f)(3)(a) IAC 701—220.4(1)(a)</p>
<p><b>Cold Fried chicken</b> - day old, was hot yesterday, now in a plastic container, sold by piece (4 piece, 8 piece), and available for purchase from a cold case. There is no self-service heating option or eating facilities on the retailer's premises.</p>	<p>No</p>	<p>Only repackaged by the seller</p>	<p>§ 423.3(57)(f)(3)(a) IAC 701—220.4(1)(a)</p>
<p><b>Cold Chinese food (single item - fried rice)</b> - day old, was hot yesterday, now sold in a take-out container at a static price and available for purchase from a cold case. Prices vary based on the size of the container. There is no self-service heating option or eating facilities on the retailer's premises.</p>	<p>No</p>	<p>Sold without utensils in an unheated state as a single item and priced by <u>volume</u></p>	<p>§ 423.3(57)(f)(3)(d)</p>

**Cold Chinese food (multiple items: chicken, rice, and eggroll)** - was hot yesterday, now sold in a take-out container at a static price and available for purchase from a cold case. Being sold as a "Chinese Meal". There is no self-service heating option or eating facilities on the retailer's premises.

Yes

Two or more food ingredients mixed or combined by the seller for sale as a single item.

§ 423.3(57)(f)(2)  
IAC 701—220.4(1)(b)

**Cold Chinese Food** - day-old egg rolls, which were hot yesterday, are now sold in a take-out container at a static price and are available for purchase from a cold case. Labeled "Egg Rolls - 4 ct". There is no self-service heating option or eating facilities on the retailer's premises.

No

Only repackaged by the seller

§ 423.3(57)(f)(3)(a)  
IAC 701—220.4(1)(a)

**Cold Baked beans** - day old, was hot yesterday, now sold in a pint container at a static price and available for purchase from a cold case. There is no self-service heating option or eating facilities on the retailer's premises.

No

Sold without utensils in an unheated state as a single item and priced by volume

§ 423.3(57)(f)(3)(d)

**Deli pasta or salads (e.g., potato, coleslaw)** prepared on site by the seller being sold in a pint container at a static price and available for purchase from a cold case. There is no self-

No

Sold without utensils in an unheated state as a single item and priced by volume

§ 423.3(57)(f)(3)(d)

service heating option or eating facilities on the retailer's premises.			
<b>Raw steak</b> packaged with onions and peppers labeled "fajita mix" sold by weight out of the meat department	No	Contains raw animal foods requiring cooking as recommended by the FDA	§ 423.3(57)(f)(3)(b)
<b>Deli meat or cheese</b> packaged by the in-store deli	No	Sold without utensils in an unheated state as a single item and priced by weight	§ 423.3(57)(f)(3)(d)
<b>Bulk granola</b> (scooped by buyer)	No	Only repackaged by the seller	§ 423.3(57)(f)(3)(a) IAC 701—220.4(1)(a)
<b>Cut fruit</b> - cut and packaged in store. Sold out of the produce case.	No	Only cut and repackaged by the seller	§ 423.3(57)(f)(3)(a)
<b>Fruit cup</b> is sold with a spoon attached to the cup by the seller.	Yes	Food is sold with eating utensils provided by the seller	Iowa Code § 423.3(57)(f)(4); IAC 701—220.4(1)(c)
<b>In-store prepared sushi</b> - sold at 6, 8, and 12oz. Price based on oz. There is no self-service heating option or eating facilities on the retailer's premises.	No	Multiple ingredients prepared by the seller into a single item - sold by weight or volume	§ 423.3(57)(f)(2) IAC 701—220.4(1)(b)
<b>In-store prepared sushi</b> - sold at 6, 8, and 12 pieces per container.	Yes	Multiple ingredients prepared by seller into a	§ 423.3(57)(f)(2) IAC 701—220.4(1)(b)

			single item - sold by count, not weight or volume	
<b>Salad</b> - Bagged by a factory (sealed)	No		Not considered "prepared".	§ 423.3(57) IAC 701—220.4
<b>Salad</b> - Prepared and packaged on-site with multiple ingredients (lettuce, tomatoes, cheese, etc), without utensil, sold as "salad" in 32 oz plastic bowls, with static pricing. There is no self-service heating option or eating facilities on the retailer's premises.	No		Sold without utensils in an unheated state as a single item and priced by <u>volume</u>	§ 423.3(57)(f)(3)(d)
<b>Sandwich</b> - Assembled and packaged by a factory. There is no self-service heating option or eating facilities on the retailer's premises.	No		Not considered "prepared".	§ 423.3(57) IAC 701—220.4
<b>Sandwich</b> - Assembled and packaged by a factory. There are self-service heating options and eating facilities on the retailer's premises.	Yes		Sold for consumption on the premises of the retailer	IAC 701—220.4(c)
<b>Sandwich</b> - Custom-made by on-site deli - handed to customer. All similar sandwiches have a static price.	Yes		Multiple ingredients prepared by the seller into a single item - being sold by count, not by weight or volume	§ 423.3(57)f)(2) IAC 701—220.4(b)

**Sandwich** - Made by on-site deli, wrapped in plastic, put in cold cases for customers to choose from. All sandwiches of the same type are the same price, regardless of weight. There is no self-service heating option or eating facilities on the retailer's premises.

Yes

Multiple ingredients prepared by the seller into a single item - being sold by count, not by weight or volume

§ 423.3(57)(f)(2)  
IAC 701—220.4(b)

**Sandwich** - Made by on-site deli, wrapped in plastic, weighed and priced, and put in cold cases for customers to choose from. There is no self-service heating option or eating facilities on the retailer's premises.

No

Food is sold without eating utensils provided by the seller in an unheated state as a single item, which is priced by weight or volume.

§ 423.3(57)(d)

**Sandwich** - Made by on-site deli, wrapped in plastic, weighed and priced, and put in cold cases for customers to choose from. The retailer provides microwaves for use, free utensils and napkins, and has tables and chairs in the retail location for people to sit and eat.

Yes

Sold for consumption on the premises of the retailer

IAC 701—220.4(c)

**Slice of cake** baked by the retailer, served with a fork.

No

Exempt because the seller baked the cake, and bakery items are

Iowa Code  
§ 423.3(57)(f)(3)(c);  
IAC 701—220.4(1)(c)

		exempt, even when sold with utensils.
<b>Yogurt parfait cup</b> , which includes a spoon provided by the manufacturer	No	The item is not prepared by the seller, nor does the seller provide a utensil. Iowa Code § 423.3(57)(f)(4); IAC 701—220.4