

## Prepared Foods: 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.

“Prepared food” is taxable in Iowa. Under Iowa Code section 423.3(57)(f), “Prepared food” means any of following:

- (1) Food sold in a heated state or heated by the seller, including food sold by a caterer.
- (2) Two or more food ingredients mixed or combined by the seller for sale as a single item.
- (3) “Prepared food”, for the purposes of this paragraph, does not include food that is any of the following:
  - (a) Only cut, repackaged, or pasteurized by the seller.
  - (b) Eggs, fish, meat, poultry, and foods containing these raw animal foods require cooking by the consumer as recommended by the United States Food and Drug Administration, ch. 3, part 401.11 of its food code, so as to prevent foodborne illnesses.
  - (c) Bakery items sold by the seller who baked them. The words “bakery items” include but are not limited to breads, rolls, buns, biscuits, bagels, croissants, pastries, donuts, Danish, cakes, tortes, pies, tarts, muffins, bars, cookies, and tortillas.
  - (d) Food sold without eating utensils provided by the seller in an unheated state as a single item, which is priced by weight or volume.
  - (e) Food sold that ordinarily requires additional cooking by the consumer prior to consumption.
- (4) Food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate does not include a container or packaging used to transport food.

See Iowa Administrative Code rule 701–220.4 for additional information.

The examples below assume the food is sold without utensils unless otherwise stated. If any of the non-prepared examples below are sold with utensils provided by the seller, they become taxable as prepared foods.

<b>Example</b>	<b>“Prepared” (Taxable)</b>	<b>Comment (Food may be “Prepared Food” for other reasons)</b>	<b>Legal Basis</b>
Items that are hot at the point of sale (e.g., rotisserie chicken, Chinese food, fried chicken, pizza).	<b>Yes</b>	Sold in a heated state or heated by the seller.	Iowa Code § 423.3(57)(f)(1); IAC 701—220.4(1)(a)
Cold pizza made on site, day old, was hot yesterday, now wrapped in plastic and available for purchase from a cold case. Sold by the slice or as a whole pizza.	<b>Yes</b>	Heated by the seller.  Two or more food ingredients mixed or combined by the seller for sale as a single item.  Not priced by weight or volume.	§ 423.3(57)(f)(1), (2) IAC 701— 220.4(1)(a), (b)
Cold pizza slice - pizza not made by the seller, it was cooked or heated by the seller and is now a day old, was hot yesterday, now wrapped in plastic and available for purchase from a cold case.	<b>Yes</b>	Heated by the seller.  Not priced by weight or volume.	§ 423.3(57)(f)(1) IAC 701—220.4(1)(a)
Take and Bake Pizza - (thawed, sold from cold case or made to order).	<b>No</b>	Food that is sold that ordinarily requires additional cooking by the consumer prior to consumption.	§ 423.3(57)(f)(3)(e)
Cold rotisserie chicken, cooked or heated by the seller. Day old. Was hot yesterday, now available for purchase whole from a cold case. Priced and sold by the chicken.	<b>Yes</b>	Heated by the seller.  Not priced by weight or volume.	§ 423.3(57)(f)(1) IAC 701—220.4(1)(a)
Cold rotisserie chicken, received by the seller raw but pre-seasoned. Cooked by the seller, but not prepared by the seller with any other ingredients. Day old. Was hot yesterday, now available whole or picked off the bone from a cold case. Priced and sold by the pound.	<b>No</b>	Sold without utensils in an unheated state as a single item and priced by weight.	§ 423.3(57)(f)(3)(d)

Cold fried chicken, cooked or heated by the seller. Day old. Was hot yesterday, now available for purchase from a cold case. Sold by the pound.	<b>No</b>	Sold without utensils in an unheated state as a single item and priced by weight.	§ 423.3(57)(f)(3)(d)
Cold fried chicken, cooked or heated by the seller. Day old. Was hot yesterday, now available for purchase from a cold case. Sold by the piece (4 pieces, 8 pieces, etc.).	<b>Yes</b>	Heated by the seller.  Not priced by weight or volume.	§ 423.3(57)(f)(1) IAC 701—220.4(1)(a)
Cold Chinese food, cooked or heated by the seller. Day old. Was hot yesterday, now sold in a take-out pint or quart container at a static price and available for purchase from a cold case. Prices vary based on the size of the container.	<b>No</b>	Sold without utensils in an unheated state as a single item and priced by volume.	§ 423.3(57)(f)(3)(d)
Cold Chinese food, cooked or heated by the seller. Day old. 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".	<b>Yes</b>	Heated by the seller.  Not priced by weight or volume.	§ 423.3(57)(f)(1) IAC 701—220.4(1)(a)
Cold Chinese Food - day-old egg rolls, cooked or heated by the seller. Day old. Was hot yesterday, 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".	<b>Yes</b>	Heated by the seller.  Not priced by weight or volume.	§ 423.3(57)(f)(1) IAC 701—220.4(1)(a)
Cold Baked beans, cooked or heated by the seller. Day old. Was hot yesterday, now sold by the pint and available for purchase from a cold case.	<b>No</b>	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 are being sold by the pint and available for purchase from a cold case.	<b>No</b>	Sold without utensils in an unheated state as a single item and priced by volume.	§ 423.3(57)(f)(3)(d)
Hard-boiled eggs. Prepared on site by the seller. Sold in 6-count packages. Available for purchase from a cold case.	<b>Yes</b>	Heated by the seller. Not priced by weight or volume.	§ 423.3(57)(f)(1) IAC 701—220.4(1)(a)
Raw steak packaged with onions and peppers labeled "fajita mix" sold by weight out of the meat department.	<b>No</b>	Contains raw animal foods requiring cooking as recommended by the FDA. Not considered "prepared food".	§ 423.3(57)(f)(3)(b)
Deli meat or cheese, packaged by the in-store deli.	<b>No</b>	Otherwise qualifies as exempt food or food ingredients.	§ 423.3(57)(d), (f) IAC 701—220.4(1)(a)
Bulk granola, scooped by the buyer and sold by the ounce or pound.	<b>No</b>	Sold without utensils in an unheated state as a single item and priced by weight. Otherwise qualifies as exempt food or food ingredients.	§ 423.3(57)(f)(3)(d)
Bulk candy, scooped by the buyer and sold by the ounce or pound.	<b>Yes</b>	Not prepared food, but considered candy.	§ 423.3(57)(b) IAC 701—220.3
Cut fruit - cut and packaged in store. Sold out of the produce case.	<b>No</b>	Only cut and repackaged by the seller.	§ 423.3(57)(f)(3)(a)
A fruit cup is sold with a spoon attached to the cup by the seller.	<b>Yes</b>	Food is sold with eating utensils provided by the seller.	Iowa Code § 423.3(57)(f)(4); IAC 701—220.4(1)(c)
In-store prepared sushi - sold at 6, 8, and 12oz. Price based on ounces.	<b>No</b>	Sold without utensils in an unheated state as a single item and priced by weight.	§ 423.3(57)(f)(3)(d)
In-store prepared sushi - sold at 6, 8, and 12 pieces per container. Price based on pieces per container.	<b>Yes</b>	Two or more ingredients mixed or combined by the seller into a single item; sold by count, not weight or volume.	§ 423.3(57)(f)(2) IAC 701— 220.4(1)(b)

Salad - Bagged by a factory (sealed).	<b>No</b>	Not considered "prepared food". Otherwise qualifies as exempt food or food ingredients.	§ 423.3(57)(d), (f) IAC 701—220.4
Salad - Prepared and packaged on-site with multiple ingredients (lettuce, tomatoes, cheese, etc.), without utensils, sold as "salad" in plastic bowls, priced by ounce.	<b>No</b>	Sold without utensils in an unheated state as a single item and priced by weight.	§ 423.3(57)(f)(3)(d)
Cold sandwich - Assembled and packaged by a factory.	<b>No</b>	Not considered "prepared food". Otherwise qualifies as exempt food or food ingredients.	§ 423.3(57)(d), (f) IAC 701—220.4
Cold sandwich - Assembled and packaged by a factory. Sold with utensils for the customer to use with self-service heating options and eating facilities on the retailer's premises.	<b>Yes</b>	Sold with eating utensils provided by the seller.	§ 423.3(57)(f)(4) IAC 701—220.4(1)(c)
Cold sandwich - Assembled and packaged by a factory. The retailer is primarily a grocer but has a cafeteria with eating facilities on its premises. The purchaser buys the sandwich without utensils at the grocery checkout, not the cafeteria.	<b>No</b>	Not sold with eating utensils provided by the retailer. Otherwise qualifies as exempt food or food ingredients.	§ 423.3(57)(d) IAC 701—220.4
Cold sandwich - Custom-made by on-site deli - handed to customer. All similar sandwiches have a static price.	<b>Yes</b>	Multiple ingredients prepared by the seller into a single item - being sold by count, not by weight or volume.  "Prepared food," even if the sandwich is to go and not actually consumed on the retailer's premises.	§ 423.3(57)(f)(2) IAC 701—220.4(1)(b)

Cold 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.	<b>Yes</b>	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(1)(b)
Cold sandwich - Made by on-site deli, wrapped in plastic, weighed and priced by the ounce or pound, and put in cold cases for customers to choose from.	<b>No</b>	Sold without utensils in an unheated state as a single item and priced by weight.	§ 423.3(57)(f)(3)(d)
Cold 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.	<b>Yes</b>	Sold with eating utensils provided by the seller.	§ 423.3(57)(f)(4) IAC 701—220.4(1)(c)
Slice of cake baked by the retailer, served with a fork.	<b>No</b>	Exempt because the seller baked the cake, and such bakery items are exempt, even when sold with utensils.	Iowa Code § 423.3(57)(f)(3)(c)
Premade yogurt parfait cup, which includes a spoon provided by the manufacturer.	<b>No</b>	The item is not prepared by the seller, nor does the seller provide a utensil.  Otherwise qualifies as exempt food or food ingredients.	Iowa Code § 423.3(57)(d), (f)