

OHIO

Restaurant Sales Tax Exempt Listing

Since the passage of House Bill 904, our industry has had many changes regarding taxable and non-taxable items. We hope the following list on sales tax changes eliminates some of the confusion.

The tax does not apply to the following:

Sales to person(s) licensed to conduct a food service operation pursuant to section 3732.03 of the Revised Code; of tangible personal property primarily used directly:

- A. To prepare food for human consumption for sale:
- B. To preserve food which has been or will be prepared for human consumption for sale by the food service operator, not including tangible personal property used to display food for selection by the consumer and,
- C. To clean tangible personal property used to prepare or serve food for human consumption for sale.

RESTAURANT EQUIPMENT AND SUPPLY LISTING (EFFECTIVE 3-9-95)

ITEM	T/D	E/R	ITEM	T/D	E/R	ITEM	T/D	E/R
Aluminum foil wrap	E	1,4	Coffee			Freezer paper	E	2
Ammonia	T/E	/3	-cup	E	7	French fry cutters	E	1,5
Aprons - employee	T		-filters	E	1,5	French fryers	E	1,5
Bain marie	E	1,5	-pitcher/table	E	7	Funnel	E	1,5
Bar	E	7	-employee serve	T		Glassware	E	7
-blender	E	5	-stirrers	E	7	-bar detergent, dry/rinse/ sanitize chem	T	
-furniture	E	7	-urns	E	1,5	-kitchen chemicals	E	3
-glassware	E	7	Colanders	E	1	-washer, bar	T	
cleaner	T		Compressor, Refrigerate			-washer, kitchen	E	3
sanitizer	T		- food (kitchen)	E	2	Gloves	T	
-mixing measure	E	5	- pop, wine, & beer	T		Grease remover	E	3
-stools & furniture	E	7	Condiment			Griddle & grill	E	1,5
-strainers	E	5	-jars	T/E	/7	-bricks	E	3
Beverage			-tbl dispensers	E	7	-screens, grill part	E	1,5
-dispenser	T		Counter top & stools	E	7	-employee prot.	T	
-maker	E	5	Cream dispenser	E	2,7	Guest checks	T	
Bibs	E	7	Cubing machines	E	1,5	Ice		
Booster Heater (water)	T		Cutlery	E	1,5	-buckets	T/E	/5
Booth furniture	E	7	Cutting boards	E	1,5	-chests	T/E	/5
Bread/Bun baskets	E	7	Decanters	E	7	-crusher	E	5
-dividers	T		Dining Furniture	E	7	-maker	E	5
-slicers	E	1,5	tables, chairs,			-picks	E	5
-warmers	E	1	counters, booths			-tongs	E	5
Broasters	E	1,5	Dishware	E	7	Ice cream		
Broilers	E	1,5	-racks	T		-cabinets, kitchen	E	2
Brushers			Dishwashers	E	3	-display	T	
-dish	E	3	-racks	E	3	-dippers & scoops	T	
-glassware	T/E	/3	-detergent, dri/rinse chemicals	E	3	Iced tea		
-grill	E	3	Display cases	T		-dispenser	T	
-pots	E	3	Filters			-maker	E	1,5
-restroom	T		-air, fryer part	E	5	Jello mold	E	1,5
-urn	E	3	/separate item	T		Juice dispenser/maker	E	1,2,5
Cake & Pastry			-cone	E	5	Kettles	E	1,5
-cover - display	T		-grease	E	5	Knife		
Cake Molds	E	1,5	Food			-kitchen	E	1,5
Candle			-blenders	E	1,5	-flatware	E	7
-decor	T		-carrier/employee	T		Label - content	T	
-warm food	E	1,7	-grinders	E	1,5	Ladle		
Carafes	E	7	-mixers	E	1,5	-food prep	E	1,5
Carrier used by customer	E	7	-scale	E	1,5	-serving	T	
Carryout kits	E	7	-scrapers	E	3	Lazy susans	E/T	7/
Cash registers & tape	T		-slicers	E	1,5	Lemon/Lime mix	E	6
Chafing dish	E	1,5	-strainers	E	1,5	Lime scale remover		
Chairs, dining area	E	7	-thermometers	E	1,5	-for dishwasher	T	
Chopsticks	E	7	-timers	E	1,5	-for cooking equipment	E	3
Coasters	E	7	-tongs	E	1,5	-for serving equipment	E	3
Cocktail napkins	E	7	Forks, cooking	E	1,5			

Restaurant Sales Tax Exempt Listing

ITEM	T/D	E/R	ITEM	T/D	E/R	ITEM	T/D	E/R
Linens			Pitcher, coffee & water	E	7	Stainless steel cleaner		
-napkins	E	7	Place mats	E	7	-food serv equip	E	3
-restrooms	T		Plastic			Steak markers	E	7
-tablecloth	E	7	-cups & lids	E	4	Steamtables		
Lobster display tanks	E/T	2/	-flatware	E	7	-food prep	E	1,5
Malt dispensers	T		-plate & cover	E	4	-display food	T	
Matches	E	7	Plates	E	7	Sterumine tablets	E	3
Measuring cups	E	1,5	-scrapers	E	3	Stir sticks	E	7
Meat saws	E	1,5	Portion control cups	E	1,5,7	Stove, range	E	1,5
Menus			Pots & pans	E	1,5	Straws	E	7
-board & lettering	T		-racks	T		-dispenser	T	
-cover	T		Presoak detergent	E	3	Sugar bowls	E	7
-given away	E	8	Punch bowls	T		Tables		
-not distributed	T		PVC wrap	E	4	-dining room & bar	E	7
Microwave ovens			Racks			cleaner	T	
-cook/warm	E	1,5	-beer/wine/pop storage	T		-food prep	E	1,5
Milk dispenser	E	2	-display	T		cleaner	E	3
Napkins			Refrigeration Equipment			Tea pots	E	1,5,7
-bands	E	7	-beer/wine/pop	T		Toothpicks	E	7
-dispenser, table	E	7	-food, kitchen	E	2	Towelettes	E	7
station/stand	T		display	T		Trash can	T	
Ovens excl micro	E	1,5	Safety items	T		Tray		
Pails, cleaning	T		Salad bars	T		-customer	E	7
Pans			-labels	T		-employee bussing	T	
-cook, bake	E	1,5	Scales			-stand	T	
-steamtable display	T		-price	T/E	/5	Trivet		
Paper			-food prep	E	1,5	-table	E	7
-bags & boxes	E	4	Scouring pad	E	3	-kitchen	T	
-cups & lids	E	4	Scraper (food)	E	3	Uniforms	T	
-office supply	T		Serving cart	T		Waffle iron	E	1,5
-plates & top	E	4	Shaker, salt/pepper etc	E	7	Warmer/melter		
-towels restroom	T		Sharpener	T		-cheese	E	1,5
-tray, carrier	E	7	Silverware	E	7	-fudge	E	1,5
Pasta machines	E	1,5	-box & storage	T		Water		
Pastry bags	E	1,5	-detergent	E	3	-coolers	T	
Picks			Skewer	E	1,5	-pitchers	T	
-bar	E	7	Softserve ice cream machine	E	1,5	Wine		
-sandwich	E	7	Souffle cups	E	1,5	-baskets	E	7
-steak	E	7	Spatulas	E	1,5	-buckets	E	7
						Work gloves	T	

CODING SYSTEM:	T/D Tax Designation **	E/R Exempt Reason
	E Exempt	1 through 8
	T Taxable	listed below
	T/E Depends on Use	** assumes a "normal usage"

Exempt Reasons:

Associated with Food Service Operation:

Sales to persons licensed to conduct a food service operation pursuant to section 5752.05 of the Revised Code; of tangible personal property primarily used directly:

1. to prepare food for human consumption for sale; [Section 5759.02 (B)(28)(a) Ohio Revised Code]
2. to preserve food which has been or will be prepared for human consumption for sale by the foodservice operator, not including tangible personal property used to display food for selection by the consumer; [Section 5759.02 (B)(28)(b) ORC]
3. to clean tangible personal property used to prepare or serve food for human consumption for sale. [Section 5759.02 (B)(28)(c) ORC]

Not Limited to Food Service Operators:

4. Sales...to persons engaged in making retail sales,...of packages, including material and parts for packages...[Section 5759.02 (B)(15) ORC]
5. to use the thing transferred, as described in Section 5759.011 of the Revised Code, primarily in a manufacturing operation to produce tangible personal property for sale; [Section 5759.01 (E) (9) ORC]
6. to incorporate the thing transferred as a material or a part, into tangible personal property to be produced for sale for manufacturing...[Section 5759.011 (E) (2) ORC]
7. to resell the thing transferred or benefit of the service provided,...in the form in which the same is, or is to be, received by him: (see Hyatt v Limbach 1994 Oh SCT) [Section 5759.01 (E) (1) ORC]
8. Sales where the purpose of the consumer is to use or consume the things transferred in making retail sales and consisting of newspaper inserts,...or other advertising material which prices and describes tangible personal property offered for retail sale. [Section 5759.02 (B) (37) (a) ORC]