

# Agritourism

A Sales Tax Overview

# Sales Tax

## Section 144.020 RSMo

- A tax is imposed on all sellers for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail of:
  - Tangible personal property
  - Amount paid for admission or fees paid to or in a place of amusement, entertainment or recreation
  - Meals or drinks regularly served to the public

# Examples of Places of Business

- Farmer's Market
- Produce Stand
- Winery
- Pumpkin Patch
- Corn Maze
- Educational Farm
- Orchard

# Tax Rate (Sourcing)

- Section 32.087.12 – Sales tax is at the place of business of the retailer.
- If more than one place of business, sales tax is at the rate where the initial order is taken
- A business making sales from a booth or stand at a farmer's market or elsewhere should collect the tax based on the rate in effect at the location of the booth or stand.
- A business making sales from their farm should charge the rate in effect at the farm

# Food Tax

- The rate on the sale of food is 1.225% plus applicable local sales tax
- Food is defined as only those products and types of products for which food stamps may be redeemed
- Food does not include food or drink sold by any establishment where the gross receipts derived from the sale of food prepared for immediate consumption on or off the premises constitutes more than 80% of the total gross receipts of that establishment, regardless of whether such food is consumed on or off the premises, including any restaurant, fast food restaurant, delicatessen, eating house or cafe'

# In General, Subject to Sales Tax at Full Sales Tax Rate

Admissions To:

- Corn Maze
- Pumpkin Patch (If includes recreational activities)
- Educational Farm (If includes recreational activities)

Charges for Recreational Activities (Wagon ride, games)

Concession Sales

Wine and Beer

Restaurant Sales

Gift Sales other than Food (Example – Wine Rack)

Hot Prepared Food

Flowers or Other Non-edible Plants

# In General, Subject to Sales Tax at Reduced Food Sales Tax Rate

Processed Foods

Fresh, Farm Grown Produce and Products

Jams and Jellies

Packaged Food

Food Seeds

Pumpkins

Packaged Bakery Items

# Letter Ruling

- Binding on the Department for three years
- Applies only to the particular fact situation stated in the letter ruling request
- Applies only to the applicant
- Applicant cannot appeal an unfavorable letter ruling

<http://dor.mo.gov/tax/rulings/>

# Registration and Other Information

Registration - <http://dor.mo.gov/tax/business/register/>

Sales Tax - <http://dor.mo.gov/tax/business/sales/>

Farmer's Market FAQs -

<http://dor.mo.gov/tax/business/faq/farmers.htm>

Sales Tax Rates -

<http://dor.mo.gov/tax/business/sales/rates/>

Sales Tax Telephone Inquiries – 573-751-2836

Questions?