
NOTICE

Friday, August 23, 2024

State Sales and Use Tax Rate on Food Remains at Three Percent

Alabama's sales and use tax rate on food will remain at three percent on September 1, 2024. If there is sufficient growth in the state Education Trust Fund for the next fiscal year, then the state rate will be reduced on September 1, 2025.

Local governments can, by resolution or ordinance, reduce their sales and use tax rate on food by 25 percent if there is sufficient growth in their local general fund.

Food has the same meaning as defined in 7 U.S.C. § 2011, for the purposes of the federal Supplemental Nutrition Assistance Program (SNAP). SNAP eligible food items generally include any food or food product for home consumption, except alcoholic beverages, tobacco, hot foods, or hot food products ready for immediate consumption. For additional information on SNAP eligible and ineligible items, visit <https://www.fns.usda.gov/snap/eligible-food-items>.

If you have any questions, contact ALDOR's Sales Tax Administration Section.

Contact

Sales and Use Tax Division
Sales Tax Administration Section
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