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NEW JERSEY SALES TAX

Shopper's Guide

**FOR
GROCERY, DRUG
AND
HOUSEHOLD ITEMS**



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New Jersey Division of Taxation
John R. Baldwin, Director
May, 1989

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New Jersey Division of Taxation

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TAXABILITY OF GROCERY, DRUG AND HOUSEHOLD ITEMS

Sales of food and beverages for preparation and consumption off-the-premises are exempt from sales tax. Sales of candy, confectionery, carbonated soft drinks and beverages (whether or not sold in liquid form) are taxable regardless where they are consumed. Alcoholic beverages are subject to the Alcoholic Beverage Tax; they are not subject to sales tax.

Sales of household soaps, soap products, detergents, household cleaners or cleaning agents for household use and disposable household paper products, including towels, napkins, toilet tissues, facial tissues, diapers, paper plates and cups, are exempt from tax. This exemption does not apply to the sale or any use of detergents, cleaning agents and soaps and disposable paper products for industrial, commercial or other business purposes or for the use of any person consuming them in a capacity related to these purposes.

Also exempt from tax are all sales of over-the-counter drugs recommended and generally sold for the relief of pain, ailments, distresses or disorders of the human body.

The following is a list of items commonly found in a retail store and the tax status of each item.

Acne Products	Exempt
Air Fresheners	Taxable
Alcohol, Rubbing	Exempt
Allergy Relief Products	Exempt
Aluminum Foil	Taxable
Ammonia	Exempt
Analgesics	Exempt
Anesthetics	Exempt
Anorectal Products	Exempt
Anorexics	Taxable
Antacids	Exempt
Antibiotics	Exempt
Antiemetics	Exempt
Antifungals	Exempt
Antihistamines	Exempt
Antimicrobials	Exempt
Antinauseants	Exempt
Antiperspirants	Taxable
Antipsoriasis	Exempt
Antiseborrhea	Exempt
Antiseptics	Exempt
Appetite Suppressants	Taxable
Arthritis Relievers	Exempt
Artificial Tears	Exempt

Aspirins & Combinations	Exempt
Asthma Preparations	Exempt
Athlete's Foot Treatments	Exempt
Baby Food	Exempt
Baby Formulas	Exempt
Baby Lotions	Taxable
Baby Pants	Exempt
Baby Powder	Taxable
Baby Shampoos	Exempt
Bags—Plastic, Cloth	Taxable
Bags—Paper	Exempt
Baked Goods	Exempt
Baking Cups—Paper	Exempt
Baking Powder	Exempt
Baking Soda	Exempt
Bandages	Taxable
Band Aids	Taxable
Bath Beads, Oils, Sachets	Taxable
Bathing Caps	Exempt
Bathroom Cleaners	Exempt
Batteries	Taxable
Bed Pans	Taxable
Bee Sting Relievers	Exempt
Beverages:	
—Chocolate Drinks-	
Noncarbonated	Exempt
—Fruit Drinks-	
Noncarbonated	Exempt
Mixes (quinine water, etc.)	Taxable
—Sodas	Taxable
—All Carbonated Drinks	Taxable
Bibs	Exempt
Birth Control Preparations	Taxable
Biscuits, Sweet Crackers	Exempt
Bitters	Exempt
Bleach—Liquid, Dry	Exempt
Bluing, Laundry	Exempt
Books (except certain text books approved by State)	Taxable
Braces—Ankle, Knee	Exempt
Bread and Rolls	Exempt
Breast Cream	Taxable
Breast Pump	Taxable
Breath Freshener	Taxable
Bubble Bath	Exempt
Cake Mixes	Exempt
Camera Lens/Eyeglass Cleaner Tissues	Taxable
Candy	Taxable

Canker Sore Preparations	Exempt
Canned Goods:	
—Fruits	Exempt
—Meats (except pet foods)	Exempt
—Milk	Exempt
—Vegetables	Exempt
Car Wash and Wax	Taxable
Carpet Cleaners	Exempt
Carpet Deodorizers	Taxable
Castor Oil	Exempt
Cereals	Exempt
Charcoal, Charcoal Briquets	Exempt
Cheese	Exempt
Cheese Spreads	Exempt
Chemical Cold Pack	Taxable
Chewing Tobacco	Taxable
Chips—Potato, Corn, etc.	Exempt
Chips—Chocolate, Butterscotch, etc. (for use in baking)	Exempt
Christmas Tree Skirts—Paper ...	Taxable
Cigarette Filters	Taxable
Cigarette Papers	Taxable
Cigarettes	Exempt
Cigars	Taxable
Cleaning Liquids, Powders	Exempt
Cleansers	Exempt
Clothes Lines	Taxable
Clothes Pins	Taxable
Clothing Items	Exempt
Coal Tar	Exempt
Coal Tar and Sulphur	Exempt
Cocktail Onions, Olives	Exempt
Cocktail Sauces	Exempt
Cod Liver Oil	Exempt
Coffee (packaged)	Exempt
Coffee Filters—Paper	Exempt
Coffee Pot Cleaners	Exempt
Cold Pack, Chemical ("Ice Pack")	Taxable
Cold Preparations/Remedies	Exempt
Cold Sore Preparations	Exempt
Combs	Taxable
Condiments (catsup, mustard, etc.)	Exempt
Conditioning Rinse	Taxable
Confections (Cracker jacks, etc.)	Taxable
Constipation Products	Exempt

Contact Lens Care Products	Taxable
Contact Lens Cleaner, Solution	Taxable
Contraceptives	Taxable
Corn & Callus Removers	Exempt
Corn & Callus Pads:	
—Medicated	Exempt
—Regular	Taxable
Cosmetics	Taxable
Cottonballs	Taxable
Cough Preparations	Exempt
Cream, Milk, Half & Half	Exempt
Creams/Lotions	Taxable
Crepe Paper	Taxable
Crutches	Exempt
Cups:	
—Paper	Exempt
—Plastic, Foam	Taxable
Cuticle Remover	Taxable
Dandruff & Seborrhea Preparations	Exempt
Decongestants	Exempt
Decorations—Paper	Taxable
Dental Floss	Taxable
Denture Adhesives, Preparations	Taxable
Deodorants, Antiperspirants	Taxable
Deodorizers, Room	Taxable
Depilatories	Taxable
Dermatologicals	Exempt
Detergents	Exempt
Diabetic Testing Items	Exempt
Diaper Liners	Exempt
Diapers (including disposable diapers)	Exempt
Diarrhea Aids	Exempt
Diet Aids	Taxable
Diet Candy	Taxable
Diet Foods, Supplements	Exempt
Digestive Aids	Exempt
Dinnerware—Plastic	Taxable
Dips (cheese, onion, etc.)	Exempt
Dish Detergents	Exempt
Disinfectants	Exempt
Diuretics	Exempt
Doilies—Paper	Taxable
Douches:	
—Antiseptic, Anti-infectious ...	Exempt
—Cleansing, Deodorizing	Taxable

Drain Openers/Cleaners	Exempt
Drawer Liners	Taxable
Dyes	Taxable
Ear Preparations, Ache Aids	Exempt
Ear Syringe	Taxable
Eczema Preparations	Exempt
Eggs (fresh, dried)	Exempt
Electrical Supplies	Taxable
Epsom Salt	Exempt
Expectorants	Exempt
Eyeglass Cleaner Tissues	Taxable
Eye Preparations	Exempt
Fabric Softeners	Taxable
Facial Cleansing Pads—Paper ...	Exempt
Feminine Napkins, Tampons	Exempt
Fever Blister Aids	Exempt
Fiberglass Cleaner	Exempt
Film, Film Processing	Taxable
First Aid Kits	Taxable
First Aid Products:	
—Bandages	Taxable
—Healing Agents, Cleaners, etc.	Exempt
Flatware	Taxable
Floor Cleaners/Polishes*	Exempt
Floor Finishes (Wax)	Taxable
Floor Wax Remover	Exempt
Food Coloring	Exempt
Food Supplements	Exempt
Food Wraps:	
—Aluminium Foil	Taxable
—Paper Freezer Wrap	Exempt
—Plastic Wrap	Taxable
—Waxed Paper	Exempt
Foot Care Preparations	Exempt
Foot Deodorizer	Taxable
Formica Cleaners/Polishes*	Exempt
Fountain Syringe	Taxable
Freezer Storage Bags-Plastics ...	Taxable
Froth Inducers (like “Frothee”) ..	Taxable
Frozen Foods	Exempt
Fruit	Exempt
Fuels:	
—Charcoal	Exempt
—Charcoal Lighter	Exempt
—Cigarette Lighter Fluid	Exempt
Fungicides	Exempt
Furniture Polishes/Cleansers* ...	Exempt

*Products that only *polish* are taxable.

Fuses	Taxable
Garbage Pails	Taxable
Garden Supplies	Taxable
Gelatin and Gelatin Desserts	Exempt
Gift Wrap, Bows, Boxes, Tags ...	Taxable
Glass Cleaners	Exempt
Gloves	Exempt
Greeting Cards	Taxable
Grenadine	Exempt
Grip Tape	Taxable
Guest Towels—Paper	Exempt
Hair Brushes, Combs	Taxable
Hair Conditioners	Taxable
Hair Curler Papers	Taxable
Hair Rinses	Taxable
Hair Shampoos	Exempt
Hand Cleaners	Exempt
Hand Lotions	Taxable
Hardware	Taxable
Hay Fever Aids	Exempt
Headache Relief Aids	Exempt
Hemorrhoid Treatments	Exempt
Hosiery, all types	Exempt
Hypodermic Syringes & Needles	Exempt
Ice	Exempt
Ice Buckets, Ice Chests	Taxable
Ice Cream (except individual serving)	Exempt
Ice Cream Toppings	Taxable
Ingrown Nail Preparations	Exempt
Insect Bite & Sting Preparations	Exempt
Insecticides, Repellents	Taxable
Instant Cocoa, Coffee, Tea	Exempt
Insulin	Exempt
Iodine, Tincture of	Exempt
Itch, Rash Relievers	Exempt
Jams and Jellies	Exempt
Jewelry Cleaner	Taxable
Juices—Noncarbonated	Exempt
Keys	Taxable
Laundry Soaps and Detergents	Exempt
Lawn Bags—Cloth & Plastic	Taxable
Laxatives	Exempt
Leather Cleaners (saddle soap)	Exempt
Leavening Agents	Exempt
Lice Treatments (for humans) ...	Exempt

Light Bulbs	Taxable
Lighter Fluid	Exempt
Liners (garbage can, shelf, etc.)	Taxable
Lint Remover Refills	Taxable
Lip Balms	Exempt
Litter Box Liners	Taxable
Lotions, Cleansing	Taxable
Lotions, Moisturizing	Taxable
Lunch Bags:	
—Paper	Exempt
—Plastic	Taxable
Lye	Exempt
Magazines (qualified periodicals)	Exempt
Make-up Remover	Taxable
Maraschino Cherries	Exempt
Marshmallow Fluff	Exempt
Marshmallows	Taxable
Matches	Taxable
Meats	Exempt
Menstrual Cramp Relievers	Exempt
Metal Cleaner/Polishes*	Exempt
Mildew Remover	Exempt
Milk (fresh, dried)	Exempt
Mineral Oil	Exempt
Mixes for Soups	Exempt
Mixes (dry or liquid, for alcoholic beverages)	Taxable
Mops, Mop Handles	Taxable
Motion Sickness Remedies	Exempt
Mouthwash	Taxable
Muscle Ache Relievers	Exempt
Nail Biting Deterrents	Taxable
Nail Polish Remover	Taxable
Napkins, Table-Paper	Exempt
Nasal Sprays, Decongestants	Exempt
Newspapers, Periodicals	Exempt
Nursing Bottles, Nipples, Funnels	Taxable
Nursing Pads, Paper	Exempt
Nuts (without confection)	Exempt
Oil—Cooking, Salad	Exempt
Ophthalmics	Exempt
Oral Pain Relievers	Exempt
Orthopedic Devices	Exempt
Oven Cleaners	Exempt
Oven Cooking Bags—Plastic	Taxable
Paint Remover	Taxable

*Products that only *polish* are taxable.

Paperback Books	Taxable
Paper Bags	Exempt
Paper Freezer Wrap	Exempt
Paper Goods (plates, towels, etc.)	Exempt
Peroxide, Hydrogen	Exempt
Pet Foods	Taxable
Pet Shampoo	Taxable
Pet Supplies	Taxable
Petroleum Jelly	Taxable
Pickles	Exempt
Pies, Pie Crusts	Exempt
Place Mats—Paper	Exempt
Plants	Taxable
Plastic Items	Taxable
Poison Ivy & Oak Preparations .	Exempt
Polishing Cloths and Mitts	Taxable
Popcorn—(packaged without confection)	Exempt
Pregnancy Testing Kits	Taxable
Pre-Soaks, Laundry	Exempt
Preserves	Exempt
Pretzels	Exempt
Prosthetic Aids	Exempt
Puddings	Exempt
Resuscitators	Exempt
Rubber Gloves	Exempt
Rug Cleaners/Shampoo	Exempt
Rug Deodorizers	Taxable
Salads (potato salad, cole slaw, etc.)	Exempt
Saliva Substitutes	Exempt
Salt and Salt Substitutes	Exempt
Sandwich Bags:	
—Paper	Exempt
—Plastic	Taxable
Sanitary Napkins, Tampons	Exempt
Scouring Pads:	
—With Soaps	Exempt
—Without Soaps	Taxable
Seeds (flower or vegetable)	Taxable
Shampoos (except pet)	Exempt
Shaving Cream	Taxable
Shelf Liners	Taxable
Shoe Inserts	Taxable
Shoe Polish	Taxable
Sinus Relievers	Exempt
Skin Bleaches	Taxable
Skin Lotions/Creams	Taxable

Skin Irritation Relievers	Exempt
Sleep Aids	Exempt
Snuff	Taxable
Soap	Exempt
Soap Pads	Exempt
Soups, Soup Mixes	Exempt
Spaghetti	Exempt
Spices	Exempt
Spring Water	Exempt
Stain/Spot Remover	Exempt
Starch:	
—Corn	Exempt
—Laundry	Taxable
Static Remover	Taxable
Steel Wool:	
—With Soap	Exempt
—Without Soap	Taxable
Stimulants	Taxable
Stirrers (wood, plastic)	Taxable
Straws:	
—Paper	Exempt
—Plastic	Taxable
Styptic Pencils	Taxable
Sugar and Sugar Substitutes	Exempt
Sulfur & Salicylic Acid	Exempt
Sunburn Relief Products	Exempt
Sunscreens	Taxable
Sunglasses	Taxable
Sundae Topping	Taxable
Surgical Adhesive	Taxable
Table Covers:	
—Paper	Exempt
—Plastic	Taxable
Tampons (and like products)	Exempt
Tape	Taxable
Tea (all forms)	Exempt
Teething Lotions	Exempt
Tenderizers	Exempt
Tile Cleaners	Exempt
Tissue (facial & toilet)	Exempt
Tobacco (except cigarettes)	Taxable
Toilet Bowl Cleaners	Exempt
Toilet Bowl Deodorizer	Taxable
Tooth Ache Reliever	Exempt
Tooth Desensitizers	Exempt
Tooth Polish	Taxable
Toothpaste	Taxable
Toothpicks	Taxable
Towels:	
—Cloth	Taxable
—Paper	Exempt

Travel Kits	Exempt
Trashbags/Liners—Plastic	Taxable
Tri-Sodium Phosphate (TSP)	Exempt
Underpads, Disposable—Paper	Exempt
Upholstery Cleaners	Exempt
Upset Stomach Relief	Exempt
Vacuum Cleaner Bags:	
—Cloth, Plastic	Taxable
—Paper	Exempt
Vegetables	Exempt
Vitamins	Exempt
Wart Removers	Exempt
Water	Exempt
Water Conditioners	Taxable
Water Pills	Exempt
Water Spot Preventer	Taxable
Water Repellent	Taxable
Wax	Taxable
Waxed Paper	Exempt
Weight Control Preparations	Taxable
Wheelchairs	Exempt
Whipped Cream	Exempt
Whiteners, Laundry	Exempt
Window Cleaning Liquids	Exempt
Windshield Washer Solution	Taxable
Witch Hazel	Exempt
Wipes:	
—Handi-Wipes (rayon)	Taxable
Wood, Paneling Scratch Cover	Taxable
Wool Washes	Exempt
Wrapping Supplies	Taxable
Wraps:	
—Foil, Plastic	Taxable
—Paper	Exempt



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SALES TAX AND COUPON TRANSACTIONS

The following guidelines are applicable to retail sale transactions in New Jersey involving the use of coupons:

Where a vendor issues a coupon entitling a purchaser to a discounted price on the item purchased or a free or reduced price on an additional item, **and the vendor receives no reimbursement**, the sales tax is due from the purchaser on only the discounted price which is the actual receipt.

Example 1: A store issues a coupon entitling the holder to purchase a product for 10¢ less than the regular sales price. The retailer would bill as follows:

Regular price	60¢
Store coupon	10¢
Taxable receipt	<u>50¢</u>
Sales tax at 6% rate	<u>03¢</u>
Amount due from purchaser	53¢

Where a store issues a coupon, entitling a purchaser to pay a reduced price on an item purchased, **and the vendor is reimbursed by a manufacturer, distributor, or other third party**, the tax is due on the full regular price of the item. The receipt is composed of the amount paid and the amount of the coupon value.

Where a manufacturer issues a coupon entitling a purchaser to pay a reduced price on an item purchased, the tax is due on the full regular price of the item. The receipt is composed of the amount paid and the amount of the coupon value. The coupon value reflects a payment or reimbursement by another party to the vendor.

Example 2: A manufacturer issues a coupon entitling the holder to purchase an item from a retailer for 10¢ less than the regular purchase price. The retailer would bill as follows:

Regular price	60¢
Sales tax at 6% rate	<u>04¢</u>
	64¢
Manufacturer coupon	<u>10¢</u>
Amount due from purchaser	54¢

Where a manufacturer or a vendor issues a coupon involving a reimbursement but does not disclose that fact to the purchaser on the coupon or in an accompanying advertisement, the vendor will collect from the purchaser only the tax due on the reduced price, but will be required to pay the tax applicable to the entire receipt, i.e. the amount of the price paid and the reimbursement received from the manufacturer.



TAXABILITY OF CLOTHING

Sales of articles of clothing and footwear for human use are exempt from New Jersey sales tax. Exceptions to this rule include articles made of fur and certain athletic equipment.

The definition of clothing includes footwear, all inner and outerwear, headwear, gloves and mittens, neckwear and hosiery normally worn on the human body, including baby receiving blankets, bunting, diapers, diaper inserts and baby pants.

Special and safety occupational clothing and equipment worn on the person and necessary for the daily work of the user are considered clothing and footwear under the above definition and are exempt.

NONTAXABLE CLOTHING AND FOOTWEAR

- Aprons (household and shop)**
- Bathing Suits**
- Beach Capes and Coats**
- Belts and Suspenders**
- Bibs**
- Bowling Shirts (if suitable for ordinary streetwear)**
- Bridal Apparel and Accessories**
- Camp Clothes**
- Coats and Wraps (for either evening or daytime wear)**
- Corset Laces**
- Children's Costumes**
- Crib Blankets and Receiving Blankets**
- Dress Shields**
- Dresses (including evening wear)**
- Garters and Garter Belts**
- Girdles**
- Gloves (except for use in sports)**
- Hairbows**
- Head Scarfs**
- Headwear and Millinery (all types)**
- Hosiery and Peds**
- Leotards and Tights**
- Men's Formal Wear**
- Neckwear**
- Overshoes**
- Rainwear**
- Rubber Gloves (for home or work use)**
- Safety Clothing (normally worn in hazardous occupations)**
- Scout Uniforms**
- Shoe Laces**
- Shoes (including safety shoes, sneakers and tennis shoes)**
- Socks**
- Underwear**
- Work Clothes, Work Uniforms**

Athletic equipment that is worn *only* in conjunction with a particular sport is subject to sales tax. This includes, but is not limited to:

- Baseball and Hockey Gloves
- Bowling Shoes
- Fishing Boots (waders)
- Golf Shoes
- Helmets (sport)
- Protective Masks
- Shin Guards and Padding
- Skin Diving Suits
- Track Shoes and Cleats

Athletic articles which can be adapted for general use are exempt from tax. These include such items as:

- Athletic Supporters
- Children's Baseball Uniforms
- Children's Football Uniforms
- Girls' and Boys' Gym Suits
- Hooded Shirts
- Knitted Caps or Hats
- Overshoes, Coats, Mittens, Parkas and Trousers
(sometimes sold in the trade as hunting, skating
and skiing apparel, but suitable for general
outdoor wear and commonly worn other than in
a particular sport)
- Pullovers, Turtle Neck and Other Sweaters
- Jogging or Running Suits

FUR GARMENTS

Garments or articles such as coats, stoles, jackets, capes, collars, muffs and hats made essentially of fur are subject to sales tax. Any article of clothing made from fur and other materials is subject to tax if more than one-half the value of the article is attributable to the fur part.

The word "fur" means natural or dressed animal hair on the hide or pelt. It does not include woolens or other fabrics made from animal hair.

- Rabbit fur dyed to resemble mink is "fur";
- Sheepskin with wool or hair attached is "fur";
- Woven materials made of animal hair or wool (such
as angora or alpaca) are not "fur"; and,
- Cloth printed with a leopard pattern is not "fur".

ACCESSORIES

Accessories are not considered clothing and footwear, and are taxable. Some of these are:

- Hairclips
- Hairnets and Barrettes

Handbags
Handkerchiefs
Jewelry
Umbrella
Wallets

YARD GOODS, YARNS AND SEWING ACCESSORIES

Common wearing apparel materials intended to be used in making clothes are nontaxable. These materials include:

Buttons
Fabrics
Knitting Yarns
Thread
Zippers

Note: If these items are used on other than wearing apparel, they are subject to sales tax.

TAXABILITY OF FOOD SOLD IN SNACK BARS

Sales tax is imposed on the sale of food and beverages "in all instances where the sale is for consumption on the premises where sold." This includes not only prepared food, but also unprepared, prepackaged food, such as Tasty Kakes and potato chips.

Food that is prepared by the vendor on the premises, but is taken and consumed off the premises (take-out order), is also taxable. When a retail store operates a snack bar, all food and beverages sold are taxable. Prepackaged, unprepared food sold by a snack bar that is purchased and consumed off the premises is still taxable because the food was intended for consumption on the premises.

TAXABILITY OF NEWSPAPERS AND BOOKS

Sales of newspapers, magazines and periodicals are specifically exempt from sales tax. The sale of books, both hard and softback, is taxable with one exception—sales of the Bible or similar Sacred Scripture of a bona fide church or religious denomination are exempt from tax.

TAXPAYER SERVICES

If you have some unanswered questions about anything in this guide—or questions about any New Jersey taxes—we can help. Taxpayer Services offers a wide range of services including small business seminars, walk-in tax assistance and a taxpayer information telephone center for your convenience. Our address and toll free telephone number are listed in the front of this guide.



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