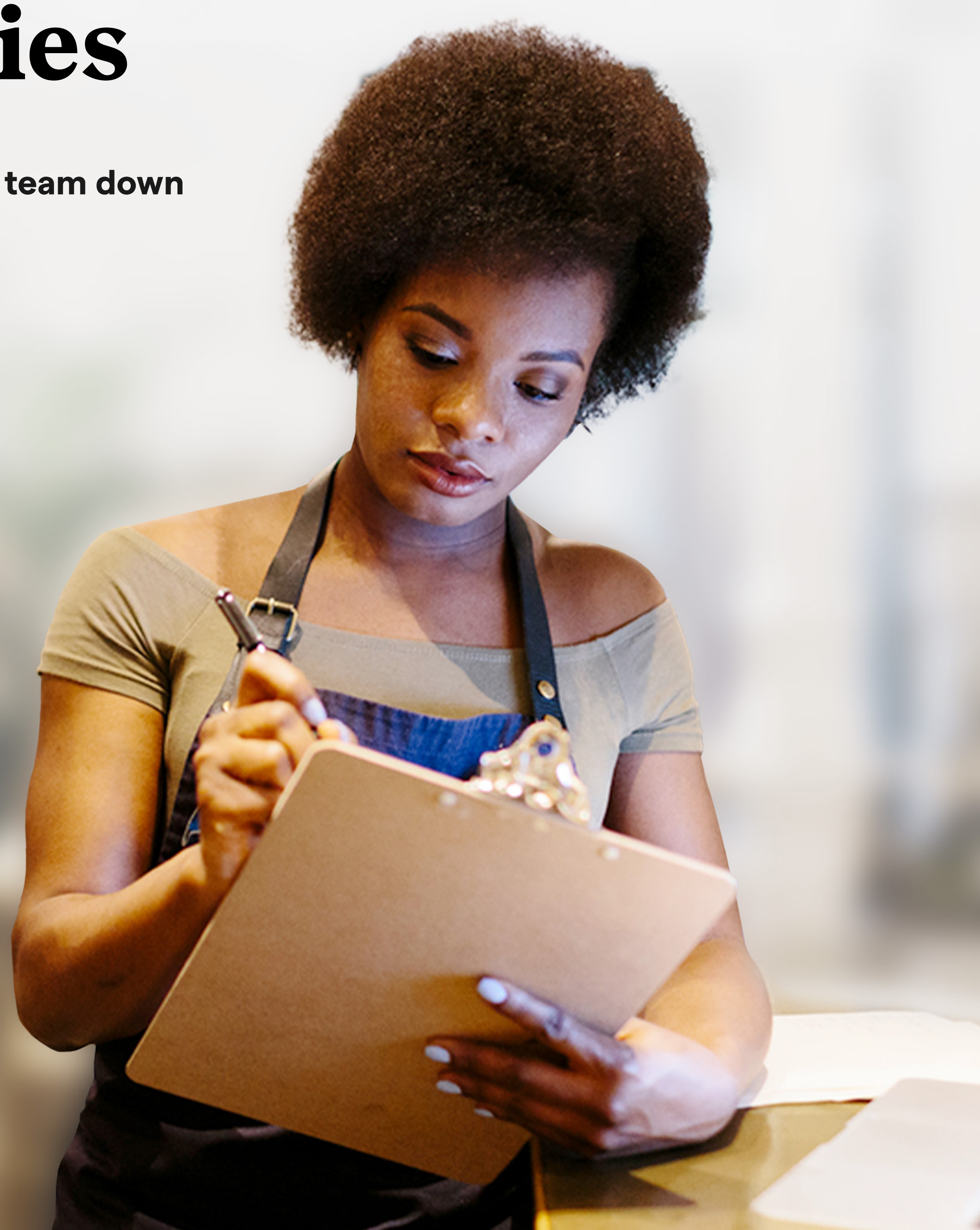
Checklist

TaxJar

Sales Tax Checklist for Food & Beverage Companies

A checklist to guide your team down the road to compliance



Food and beverage companies have complex sales tax needs. States get very detailed about what foods are taxed or tax exempt, and that changes from state to state, making collecting and filing correctly a chore. Here's a checklist to help you get started so you can focus on growing your business and leave the sales tax management to us.

The complexities of food taxability. Food items are taxed differently in different states.

- Grocery items are tax exempt or taxed at a reduced rate in many states
- Prepared meals or food "ready to eat" is generally taxed
- Soft drinks, candy and other "junk food" are sometimes taxed even in states where groceries are taxable

Step 1

Understanding Your Business

- ☐ Are you currently collecting sales tax in the US?
- ☐ Where does your business have nexus?
  Where are your employees?
  What tradeshows do you participate in?
- ☐ Have you registered in these states?
- ☐ Are you approaching economic nexus in new states?
- ☐ Who is responsible for sales tax internally?
- ☐ Are the teams working together: from collecting the right amount to filing the required returns?
- ☐ Which location will you use for sales tax collection if you have multiple addresses?

Step 2

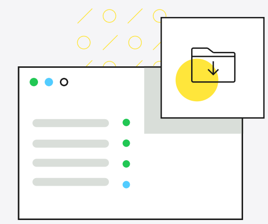
Understanding Your Product Taxability

- ☐ Are the products you sell generally taxable?
- ☐ Do you sell "grocery items"?
- ☐ Do you sell prepared or "ready to eat" food?

Step 3

Infrastructure

- ☐ Does your current sales channel or ERP support accurate sales tax collection?
- ☐ Are you collecting sales tax on shipping charges in applicable states?
- ☐ Do your invoices reflect accurate collection?
- ☐ Are taxable and non-taxable charges separately stated?
- ☐ Do you need to introduce any changes to your sales process (Salesforce quotes, etc.)?
- ☐ Will any of these changes require development work to implement? What is the timeline and how will you roll this out?



Now that you know more about what’s expected of food and beverage companies around remitting sales taxes, you can turn to the highest-rated sales tax solution to help you automate your reports and state filings.

Step 4

Implementation and Customer Communication

- ☐ If you are not currently collecting, how will you communicate this change to customers?
- ☐ Do you need to include FAQs in your support center?
- ☐ Are your front-line teams trained of any changes to the billing or refund process?

Step 5

Compliance and Remittance

- ☐ How will you be filing returns when they are due?
- ☐ Who within your company will be continuing to track economic nexus activity?
- ☐ How often will you need to file for each state (monthly, quarterly, annually, semi-annually)?
- ☐ Where will you archive your completed returns?
- ☐ Will you be filing returns manually or leveraging sales tax automation like TaxJar?

TaxJar

Learn more about why food and beverage companies choose TaxJar.