
NOTICE

July 25, 2023

State Sales and Use Tax Rate Reduced on Food Beginning September 1, 2023

In accordance with Act 2023-554, the state sales and use tax rates on food will be reduced from 4 percent to 3 percent on September 1, 2023. The September 2023 sales and use tax returns due in October will have a separate column where the qualified food items must be reported. The state sales and use tax rates will be further reduced to 2 percent on September 1, 2024, if there is sufficient growth in the state Education Trust Fund.

The city and county sales and use tax rates on food will be equal to their general sales tax rate in effect as of June 15, 2023. Local governments can reduce their rate on food in 25 percent increments in any year when 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 questions, contact ALDOR's Sales Tax Administration Section.

Contact

Sales and Use Tax Division
Sales Tax Administration Section
P.O. Box 327710
Montgomery, AL 36132-7710
334-242-1490
