



Convenience Stores and Bodegas

Introduction

This bulletin explains which sales made by convenience stores and bodegas are subject to sales tax. For information on coupons and food stamps used to purchase food and beverage items, see Tax Bulletin Coupons and Food Stamps (TB-ST-140). In addition, for information on the use of exemption certificates and general information on taxable and exempt property and services, see Tax Bulletins Exemption Certificates for Sales Tax (TB-ST-240) and Quick Reference Guide for Taxable and Exempt Property and Services (TB-ST-740).

Convenience stores and bodegas are small stores or shops that typically sell:

- food and groceries;
• candy, ice cream, soft drinks;
• alcoholic beverages;
• energy drinks;
• cigarettes and other tobacco products;
• toiletries and other hygiene products;
• lottery tickets;
• newspapers and magazines;
• money orders or wire transfer services; and
• other general merchandise.

Convenience stores that are part of a gas station may also sell items such as motor oil, windshield washer fluid, antifreeze, and maps. Please note that sales of food and beverages by convenience stores are treated in the same manner as sales made at food or grocery stores. For general information on sales of food and beverages, see Tax Bulletins Food and Food Products Sold by Food Stores and Similar Establishments (TB-ST-283) and Beverages Sold by Food Stores, Beverage Centers, and Similar Establishments (TB-ST-65).

Examples of exempt and taxable food items

Table with 2 columns: Exempt food items and Taxable food items. Exempt items include produce, cereal, cheese and deli meat, hot dogs, eggs, dairy products, snack foods, frozen food, and ice cream. Taxable items include candy and gum, bags of ice, heated foods (hot dogs, soups, pizza, chili), sandwiches (hot/cold deli, breakfast, wraps, gyros), and heroes, hoagies, torpedoes, grinders.

<ul style="list-style-type: none"> • bakery items (unless sold to be eaten on the store's premises, such as a single doughnut or pastry on a plate) 	<ul style="list-style-type: none"> submarines, and other such sandwiches • milkshakes, make-your-own sundaes, made-to-order ice cream cones
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Sandwiches are taxable whether made on bread, bagels, rolls, pitas, or wraps, and regardless of the filling or number of layers.

Note: The presence of a microwave oven for a customer's use is not indicative of food items being sold in a heated state.

Examples of exempt and taxable beverages

In general, beverages are taxable or exempt based on what the beverage is and not on the form in which it is sold. Beverages may be sold in liquid form, frozen, or as powdered mixes.

All beverages sold in cups, whether served hot or cold, or with or without lids, are taxable. See Tax Bulletin [Sales by Restaurants, Taverns, and Similar Establishments \(TB-ST-806\)](#).

All sales of alcohol, including beer, wine, and malt beverages are taxable and require special licensing from the State Liquor Authority. For more information, see the Tax Department Web site [Alcoholic beverages tax](#) and the [New York State Liquor Authority](#) Web site.

Exempt beverage items	Taxable beverage items
<ul style="list-style-type: none"> • milk (including chocolate milk, soy milk, or other flavored milk, but not milk sold in a cup) • prepackaged juice containing 70% or more natural fruit juice • iced coffee • tea bags • prepackaged or bottled iced tea (including flavored) • iced tea mix • health and dietary supplements • coffee and cocoa in ground or powdered form 	<ul style="list-style-type: none"> • bottles and cans of soda • fountain drinks, such as cups of soda or slushies • other carbonated beverages (including energy drinks and non-alcoholic beer) • alcoholic beverages • energy drinks • alcoholic and non-alcoholic cocktail mixes • lemonade • hot coffee • prepared hot cocoa • hot tea • bottled water (including flavored water and varieties with added vitamins)

Sales for resale

Taxable food and beverage items may be sold for resale provided the purchaser gives the seller a properly completed [Form ST-120, Resale Certificate](#). The purchaser will collect tax when the items are resold.

Examples of exempt and taxable general merchandise

Exempt	Taxable
<ul style="list-style-type: none"> • over-the-counter drugs and medicines • newspapers and magazines (including comic books and puzzle magazines published at least quarterly under the 	<ul style="list-style-type: none"> • publications that primarily contain advertisements of items for sale • charges for coin-operated machines to inflate tires

<p>same title)</p> <ul style="list-style-type: none"> • first-aid products (including bandages, antacids, and pain relievers) • lip balms or sunscreens that contain an SPF of at least 2 • family planning products • New York State Lottery products, including scratch-off lottery tickets • gift cards (tax will be collected if the card is used to make a taxable purchase) • money orders and wire transfers • clothing and footwear (costing less than \$110 per item or pair) 	<ul style="list-style-type: none"> • cigarettes and all other tobacco products, including rolling papers • pet food • pre-paid phone cards • products used for general hygiene • household cleaning products • automotive supplies (e.g., motor oil, antifreeze, etc.) • rock salt • snow brushes • souvenirs, key chains, novelty items • firewood¹ • propane sold in containers of less than 100 pounds
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Clothing and footwear includes items like t-shirts, baby diapers, sandals, hats, gloves (both work and winter), and socks. See [TSB-M-12\(3\)S](#), *State Sales Tax Exemption for Clothing and Footwear Costing less than \$110 is Restored Effective April 1, 2012*, and [Publication 718-C](#), *Sales and Use Tax Rates On Clothing and Footwear*, for more information on sales of clothing and footwear.

All sales of tobacco and tobacco products are taxable and require special licensing. For more information, see the Tax Department Web page [Cigarette and tobacco products tax](#).

Kerosene

Water-white kerosene that is sold in containers of 20 gallons or less that will be used for home heating is not subject to New York State sales tax, but is taxable in some counties and cities at the local sales tax rate.

If you sell water-white kerosene at your convenience store, give [Form FT-1020](#), *Exemption Certificate for Certain Taxes Imposed on Diesel Motor Fuel and Propane*, to your supplier so that you do not pay certain taxes at the time of purchase.

If you sell water-white kerosene, you must keep a log of these sales used for home heating purposes. The records must show the following information for each sale:

- customer’s name and address,
- date of sale,
- number of gallons purchased,
- selling price per gallon, and
- amount of local sales tax, if any.

Keep this log with your other business records for a minimum of three years from the due date of the return to which those records relate, or the date the return is filed, if later. You must make these records available to the Tax Department upon request.

For more information, see [Publication 718-R](#), *Local Sales and Use Tax Rates on Residential Energy Sources and Services*, and [Schedule B, Taxes on Utilities and Heating Fuels](#).

¹ Purchasers of firewood used for home heating purposes are eligible for a refund of the state portion of sales tax, and may also qualify for a refund of the local sales tax in certain counties and cities in the state. Wood used for campfires or any use other than for home heating is fully taxable. See Tax Bulletin [How to Apply for a Refund of Sales and Use Tax \(TB-ST-350\)](#), and [Schedule B, Taxes on Utilities and Heating Fuels](#).

Gasoline and diesel sales

Sales of gasoline and diesel motor fuel are taxable. Certain taxes will be prepaid by you, the seller, at the time you purchase the fuel. All taxes are included in the pump price per gallon paid by the customer.

For information on calculating the amount of sales tax due on fuel sales when filing your sales tax returns, see [Publication 718-F](#), *Local Sales and Use Tax Rates on Qualified Motor Fuel, Highway Diesel Motor Fuel, and B20 Biodiesel*, and the instructions to [Schedule FR, Sales and Use Tax on Qualified Motor Fuel and Highway Diesel Motor Fuel](#).

Note: A Tax Bulletin is an informational document designed to provide general guidance in simplified language on a topic of interest to taxpayers. It is accurate as of the date issued. However, taxpayers should be aware that subsequent changes in the Tax Law or its interpretation may affect the accuracy of a Tax Bulletin. The information provided in this document does not cover every situation and is not intended to replace the law or change its meaning.

References and other useful information

Tax Law: Sections 1101(b)(4)(ii), 1101(b)(4)(iii), 1102;1105(a), 1105(b)(1)(D), 1105(c)(3), 1105(d), 1111,1115(a)(1), 1115(a)(3), 1115(a)(5), 1115(t), and 1120

Regulations: Sections 527.1, 527.5, 527.8, 528.2, 528.4, 528.6, 561.1, and 561.7

Publications:

[Publication 718-C](#), *Sales and Use Tax Rates On Clothing and Footwear*

[Publication 718-F](#), *Local Sales and Use Tax Rates on Qualified Motor Fuel, Highway Diesel Motor Fuel, and B20 Biodiesel*

[Publication 718-R](#), *Local Sales and Use Tax Rates on Residential Energy Sources and Services*

Memoranda:

[TSB-M-00\(3\)S](#), *Application of Sales Tax to Prepaid Telephone Calling Services Including Prepaid Telephone Calling Cards*

[TSB-M-03\(6\)S](#), *Summary of Recently Enacted Legislation Affecting Sales and Compensating Use Tax*

[TSB-M-10\(16\)S](#), *Changes to the Sales Tax Exemption for Clothing and Footwear*

[TSB-M-12\(3\)S](#), *State Sales Tax Exemption for Clothing and Footwear Costing less than \$110 is Restored Effective April 1, 2012*

[TSB-M-18\(1\)S](#), *Summary of Sales and Use Tax Changes Enacted in the 2018-2019 Budget Bill*

Bulletins:

[Beverages Sold by Food Stores, Beverage Centers, and Similar Establishments \(TB-ST-65\)](#)

[Candy and Confectionery \(TB-ST-103\)](#)

[Coupons and Food Stamps \(TB-ST-140\)](#)

[Dietary Foods and Health Supplements \(TB-ST-160\)](#)

[Exemption Certificates for Sales Tax \(TB-ST-240\)](#)

[Food and Food Products Sold by Food Stores and Similar Establishments \(TB-ST-283\)](#)

[How to Apply for a Refund of Sales and Use Tax \(TB-ST-350\)](#)

[Listings of Taxable and Exempt Foods and Beverages Sold by Food Stores and Similar Establishments \(TB-ST-525\)](#)

[Newspapers, Periodicals, and Shopping Papers \(TB-ST-620\)](#)

[Quick Reference Guide for Taxable and Exempt Property and Services \(TB-ST-740\)](#)

[Recordkeeping Requirements for Sales Tax Vendors \(TB-ST-770\)](#)

[Sales by Restaurants, Taverns, and Similar Establishments \(TB-ST-806\)](#)