



INFORMATION BULLETIN – RST 029

FOOD AND BEVERAGES

THE RETAIL SALES TAX ACT

Issued: May 2000

Revised: July 2026

This bulletin summarizes how retail sales tax (RST) applies to food and beverages. The lists provided include most food items but are not all-inclusive.

Latest Revision: The revision bar (|) identifies changes to the June, 2019 version of this bulletin. For a summary of the changes, refer to the Revision Summary section.

SECTION 1 – GENERAL INFORMATION:

RST on food and beverages is generally applicable as follows:

- Food and beverages that are considered basic groceries sold for human consumption are exempt from tax. Refer to Section 2;
- Additional food and beverages that are exempt from tax. Refer to Section 3;
- Food and beverages sold through a vending machine are taxable. Refer to Vending Machine Sales in Section 4;
- Food and beverages sold at an establishment at which all or substantially all of the sales of food and beverages are taxable. Refer to Sales in Eating Establishments in Section 4;

The following are single servings:

- Beverages less than 600 ml;
- Sweetened baked goods less than 230 grams;
- Ice cream and similar products less than 500ml, or 500 grams;
- Pudding and similar products less than 425 ml.

SECTION 2 – BASIC GROCERIES:

The following food and beverages can be sold tax exempt by all businesses, with the exception of sales in eating establishments and vending machines. Refer to Section 4 for more information:

Basic Groceries:

- Fruits and vegetables, fresh, frozen, canned and vacuum sealed;
- Milk and milk-based products, except chocolate milk and other flavoured milk sold in a single serving;
- Meat and meat products including beef jerky and pepperoni sticks fresh or cooked, but not when sold as an arrangement, such as a cold-cut platter, or heated for consumption;
- Fish and fish products, fresh or cooked, but not when sold as an arrangement, such as a shrimp ring, or heated for consumption;
- Eggs and egg products;
- Breakfast cereals;
- Flour;
- Herbs and spices sold for use as seasonings for food;
- Salt packaged for sale for human consumption, including table salt, sea salt, pickling salt and salt for curing fish, but not when packaged for industrial use;
- Sugar, sweetening agents and artificial sweeteners;
- Baking supplies and other ingredients that are mixed in with or used in the preparation of food and beverages for human consumption;
- Edible cake decorations packaged and sold as cake decorations;
- Angelica and cocktail cherries;
- Cooking oil/spray, cooking wines and food preserved in alcohol that is normally purchased in a grocery store;
- Traditional breads and bread products such as bagels, English muffins, croissants, scones, tea biscuits or bread rolls without sweetened filling or coating;
- Coffee, coffee substitutes, tea, cocoa and cocoa products, such as hot chocolate in powdered form, but not chocolate milk sold in single servings, chocolate bars and other confectionery items;
- Syrups, crystals, powders and flavourings to make beverages, but not to make fruit flavoured beverages that contain less than 25 per cent natural fruit juice by volume;

- Bottled water when sold in quantities of 600ml and larger, or if less than 600ml, packaged and sold by the manufacturer in multiples of single servings;
- Non-carbonated fruit juice beverages, including beverages reconstituted from concentrates, that contain 25 per cent or more by volume of natural fruit juice, when sold in quantities greater than a single serving or multiples thereof;
- Non-alcoholic malt beverages, but not when carbonated;

Please note: RST does not apply on environmental levies or recycling fees relating to the non-taxable food and beverages.

- Unbottled water when dispensed in quantities greater than a single serving from a vending machine or at the premises of the seller, or provided by a municipality or by a private water hauler;
- Ice made from water suitable for human consumption, sold as ice cubes or as a large block;
- Frozen fruit juices that in concentrated form contain 25 per cent or more fruit juice, even if the beverage contains less than 25 per cent fruit juice in its reconstituted form;
- Iced tea mixes including fruit-flavoured iced tea mixes;
- Meal replacement bars and meal replacement beverages;
- Unpopped popcorn kernels including unpopped microwave packages;
- Sweetened baked goods, for example, cakes, pies and donuts, including condiments, such as a flavoured dip, packaged with the baked goods, when the item sold exceeds a single serving or when they are sold in quantities of six items or more of single servings. The single servings can be a mixture of cookies, donuts, muffins or other sweetened baked goods totalling six or more.
- Tortilla and taco shells;
- Meat pies and other similar pies;
- Food such as pizza that is sold uncooked but fully prepared;
- Dough of all kinds including puff pastry and cookie dough;
- Pie shells, vol-au-vent, and phyllo leaves;
- Soft pretzels;
- Crackers, bread sticks, rusks, croutons and unsweetened rice cakes.

- Yoghurt, except frozen yoghurt or when sold for consumption at an eating establishment;
- Ice cream, ice milk, sherbet, frozen yoghurt, frozen pudding, non-dairy substitutes for any of the foregoing products, and any product such as ice cream cakes that contains any of the foregoing, only when pre-packaged, or hand packed at the retail level and sold for home consumption, in quantities exceeding a single serving;
- Baby food, including formula, beverages and pudding prepared and pre-packaged specially for consumption by babies. For example, Enfalac and Similac;
- Cold cooked foods sold from unheated or refrigerated shelves at an eating establishment or grocery store to be re-heated by the purchaser;
- Mixed vegetable sprouts;
- Mixed, cut vegetables packaged and promoted as a stir-fry or chop suey mix;
- Jams, jellies, peanut butter and nut butters;
- Salad dressing;
- Condiments, such as mustard, ketchup, BBQ sauces, chip dip, salsa;
- Lunch combinations and cheese and cracker snacks packaged together and designed and promoted as pre-packaged lunch kits for children.

Salads:

- Vegetable, fruit or gelatine salads packaged in cans, or in containers that are vacuum sealed;
- Salad kits consisting of ingredients, such as vegetables, bacon bits, croutons, seasoning and/or salad dressing packaged in a separate compartment or container but not prepared salads where the dressing and other ingredients are mixed together.

SECTION 3 – ADDITIONAL TAX-EXEMPT FOOD AND BEVERAGES:

The following additional food and beverages are RST exempt regardless of packaging and serving size, including single servings. The RST exemption does not apply as outlined in the Taxable Sales subsection.

Ready-to-Eat Prepared Foods:

- Self-serve sandwiches, soups, rotisserie chickens, samosas and other similar items;
- Vegetable, fruit or gelatine salads sold in prepared form, for example when the dressing is mixed with the other ingredients;
- Platters of desserts, cheese, canapés, pâtés, crudités, cold cuts, fruits or vegetables, frozen shrimp rings, sushi and other arrangements of prepared foods.

Beverages:

- De-alcoholized beer and wine containing 1% or less alcohol by volume;
- Carbonated beverages, including carbonated water whether flavoured or not and carbonated non-alcoholic malt beverages;
- Non-carbonated fruit juice beverages, combination fruit and vegetable beverages or fruit-flavoured beverages that contain less than 25 per cent by volume of a natural or reconstituted fruit juice;
- Fruit flavoured yoghurt beverages that contain less than 25 per cent fruit juice by volume;
- Powdered fruit-flavoured beverage mixes, which require mixing with water and contain little or no actual fruit;
- Non-carbonated beverages - including spring water, drinkable yoghurt and chocolate milk;
- The following items if they have not been issued a natural health product licence by Health Canada:
 - Sports and electrolyte drinks, including their liquid and dry mixes;
 - Caffeinated energy drinks, including their liquid and dry mixes;
 - Ready-to-drink protein beverages;
 - Protein dry mixes such as but not limited to pea protein, milk protein, soy protein, whey protein, collagen derived protein, and egg protein,

Please note: RST does not apply on environmental levies or recycling fees relating to the non-taxable food and beverages.

Snack foods:

- Pudding including flavoured gelatine, mousse, flavoured whipped dessert product or any product similar to pudding.
- Candies, confectionery that may be classed as candy, or any goods sold as candies such as candy floss, chewing gum and chocolate, whether naturally or artificially sweetened, including fruits, seeds, nuts and popcorn that are coated or treated with candy, chocolate, honey, molasses, sugar, syrup or artificial sweeteners.
- Marshmallows and cream sweets.
- Chips, crisps, puffs, curls or sticks, such as potato chips, corn chips, cheese puffs, potato sticks, bacon crisps and cheese curls, or similar snack foods, or popped popcorn and brittle pretzels.
- Salted nuts or salted seeds.
- A mixture of two or more types of nuts, whether salted or not.
- Granola products and bars.
- Snack mixtures that contain cereals, nuts, seeds, dried fruit or any other edible product.
- Ice lollies, juice bars, juice sticks, flavoured, coloured or sweetened ice waters, or similar products, whether frozen or not.
- Ice cream, ice milk, sherbet, frozen yoghurt, trifle, ice cream cake or frozen pudding, non-dairy substitutes for any of these products including any item that contains any of those products, when packaged or sold in single servings or multiples of single servings.
- Fruit bars, rolls or drops or similar fruit-based snack foods.
- Cereal and nut bars.
- Energy or protein bars that have not been issued a natural health product licence by Health Canada.

Sweetened baked goods:

- Cakes, muffins, pies, pastries, tarts, flans, cookies, doughnuts, brownies, graham crackers, croissants with sweetened filling or coating, or similar products when sold in single servings or quantities of less than six items.

- Flavoured dip packaged and sold with sweetened baked goods, for example, the dip is in a separate container/compartiment

Taxable Sales:

The exemption for additional food and beverages does not apply to sales, including orders received by telephone or online for delivery or pickup, by the following:

- Restaurants, including:
 - Bakeries, food courts, coffee shops, cafeterias, concession stands, food carts and food trucks;
 - Food service locations within grocery stores where the food and beverages cannot be paid at the checkouts normally used for grocery items.
- Licensed premises specified in a liquor service licence issued under The Liquor, Gaming and Cannabis Control Act.
- Cinemas or sports or live entertainment venues where, motion picture films, sports events or live performances are staged, and a price of admission is usually charged.
- Sports or recreational facilities including arenas, golf courses, curling clubs and hunting or fishing lodges.

The exemption for additional food and beverages also does not apply to sales by the following:

- Vending machines. Refer to vending machine sales in Section 4 for additional information
- Contracts for, or in conjunction with, catering services.

SECTION 4 - EXAMPLES OF TAXABLE FOOD AND BEVERAGES:

Alcohol:

- Beverages with an alcohol content greater than 1%, such as wine, spirits, beer, malt liquor and other alcoholic beverages.

Dietary supplements and vitamins:

Dietary supplements in pill, capsule, tablet or other similar form, made from synthetic or natural ingredients that have been issued a natural health product licence or homeopathic medical number by Health Canada are taxable. These products will display an eight-digit Natural Product Number or a Drug Identification Number – Homeopathic Medicine on the packaging.

Examples include:

- Vitamins and minerals except for prenatal vitamins. Refer to Bulletin No. 002 – Drugs, Medical Equipment and Supplies for Human Use, for exempt prescription drugs;
- Appetite suppressants;
- Tonics such as cod-liver oil.
- Manufactured herbal-based products and nutraceuticals that claim to have a medical function in maintaining good health, strengthening the immune system, relieving stress and other claims, such as Echinacea, St. John's wort, ginkgo and aloe.

Please note: Meal replacements and nutritional supplements that have been formulated to meet the requirements of The Food and Drug Act (Canada), are exempt.

Vending machine sales:

All food or beverages sold through a vending machine are subject to tax. This includes sales of food and beverages that are normally exempt as basic groceries, such as a single serving of white milk or raw fruit;

Unbottled water sold in single servings of less than 600ml is taxable when dispensed through a vending machine;

Food or beverage dispensed for a single coin of 25¢ is not taxable.

Sales in eating establishments:

Food or beverages are taxable when sold at an establishment of a seller at which all or substantially all, for example, 90 per cent or more, of the sales of food or beverages are taxable. For example: Raw fruit, which is otherwise basic groceries, is subject to tax when sold in an eating establishment. However, if the product is not sold for consumption at the establishment, tax would not apply in the following cases:

- The food or beverage is sold in a form not suitable for immediate consumption, having regard to the nature of the product, the quantity sold or its packaging, such as a non-baked pizza.
- In the case of sweetened baked goods, such as donuts, the product is pre-packaged for sale to consumers in quantities of six items or more, each of which is a single serving, or the product is not pre-packaged for sale and is sold as single servings in quantities of six items or more.

What is an establishment of a seller?

Establishments are considered to be providers of prepared food products whose sales of taxable food and beverages constitute all or substantially all, 90 per cent or more, of their sales. Examples of establishments include:

- Cafeterias, canteens and vending machines through which food or beverages are sold. Refer to Schools, Community Clubs and Other Charitable and Non-Profit Organizations in Section 5 for exception;
- Catering services;
- Convention centres;
- Dining rooms, pubs, taverns, bars and lounges;
- Eat-in and drive-in restaurants;
- Eating facility within a business entity such as a lunch counter within a retail department store;
- Fast food or quick-service outlets;
- Lunch counters, coffee shops and snack bars;
- Meeting halls and union halls;
- Mobile canteens;
- Movie theatres;
- Hotels, motels and lodging houses;
- Motor vehicles wherein food and/or beverages are sold;
- Private and social clubs and similar places or establishments where prepared food products are provided;
- Royal Canadian Legion halls;
- Sports arenas and stadiums;
- Take-out and home delivery outlets, or
- Any other facility where prepared food and beverages are dispensed.

SECTION 5 – NON-TAXABLE FOOD AND BEVERAGES IN CERTAIN SITUATION:

Exemption for certain persons:

Prepared food and beverages provided to certain persons in the following situations are not taxable. The organization providing the prepared food and beverages may also purchase it exempt.

- An elementary or secondary school without charge, or for a nominal charge, to its students under a student lunch program.
- A hospital to its patients, or by a personal care home to its residents, as part of health care services.
- A charitable or non-profit organization without charge, or for a nominal charge, to persons who, because of poverty, suffering, distress, age, infirmity, or disability, require assistance. An example is Meals on Wheels.
- A charitable or non-profit organization in the course of operating a recreational camp program primarily for children 17 years of age or under, or for underprivileged or disabled persons.

Non-taxable sales in certain circumstances:

Prepared food and beverages provided in the following circumstances are not taxable.

Please note: In these circumstances the provider must pay tax to its supplier when purchasing supplies that are taxable, for example, non-disposable dishes, cups and utensils.

- An elementary or secondary school to its students through a cafeteria, canteen or vending machine operated at the school;
- A boarding school, university or college to its students as part of a meal plan where the student purchases at least 10 meals each week at a single price for a continuous period of not less than one month;
- A domestic boarding house to its residents at an all-inclusive single price for food and lodging, for a continuous period of not less than one month;
- A charitable or non-profit organization in the course of operating a recreational camp program primarily for children 17 years of age or under, or for underprivileged or disabled persons;
- A daycare centre to its attendees as part of an all-inclusive price for day care services;
- A senior citizens' home to its residents as part of a meal plan where the resident purchases at least 10 meals each week, at a single price, for a continuous period of not less than one month.

Schools, community clubs and other charitable and non-profit organizations:

Sales of food and beverages by a charitable or non-profit organization to a person are tax exempt if the sale has not been publicly advertised and is not of a commercial nature competing with other registered vendors. Please note: The organization must pay the tax to its supplier when purchasing supplies that are taxable, for example, non-disposable dishes, cups and utensils.

Examples of exempt sales include:

- Confectionery or snack food items that are sold from a school or community club canteen, cafeteria or vending machine if operated directly by the school, student group or community club;

Please note: Community clubs and other non-profit organizations must register with Manitoba Finance and collect tax on these sales if they also sell liquor products.

- Food and beverages, and other goods, that are sold by schools, community clubs or charitable organizations for fundraising purposes;
- The sale of prepared food and beverages at a community club or church dinner, for example, fall suppers.

Commercial Airlines:

Food and beverages, including related disposable supplies, provided by commercial airlines to their passengers for consumption in-flight are exempt from RST. The exemption applies to the purchase of prepared meals, snack foods and beverages by the airline and to any subsequent sale to passengers in-flight. Airlines must provide their RST number to their supplier to receive the exemption.

Products consumed by cultural groups:

Products that are not typically recognized as food and beverages in Canada, which are consumed as food or beverages by cultural groups, are RST exempt unless they are specifically listed as taxable. However, the products must be consumed for nourishment, not for medicinal purposes, to qualify for exemption.

Employee meals:

Businesses in the food industry are not required to pay tax on meals that are prepared by them and provided to their employees free of charge, as a term of employment.

Gratuities:

Gratuities that are shown separately on the bill, or paid separately by the customer, are not regarded to be part of the selling price of the meal and are not taxable.

Delivery:

Where the delivery charges for prepared take-out food is charged separately and in addition to the established taxable picked-up price, the charge for delivery is not taxable.

Gift baskets:

Where the combined value of the basket or container, and the value of the taxable contents, for example, toys and soaps., is more than 10 per cent of the total charge for the gift basket, the total charge is taxable. If the combined taxable value is 10 per cent, or less, the total charge is exempt.

Wine and beer making supplies:

Beer-making kits containing only the ingredients to make beer, for example, yeast, hops and grape juice concentrates used to make wine are exempt.

Kits that include ingredients and apparatus to make beer or wine are taxable on the full selling price of the kits.

SECTION 6 – OTHER TAXABLE FOOD AND BEVERAGE SALES:**Complimentary meals:**

Prepared food and beverage establishments that provide complimentary meals or alcoholic beverages must pay the tax on their regular selling price of the complimentary item. Where the establishment can substantiate that the selling price is regularly discounted for preferred customers, the price used for preferred customers would be the value of the complimentary item for purposes of paying the tax.

Corkage:

Corkage charges that are billed in connection with banquet hall rentals or catering are taxable. Charges for the bartender or hall rental, if itemized separately on the invoice, are not subject to tax.

Non-food items:

Potted plants and flowers, pet foods, soaps and detergents, magazines, paper products, tools, and many other items that are frequently sold in grocery stores are taxable. Refer to Bulletin No. 030 – Summary of Taxable and Exempt Goods and Services, for further information.

Food Preparation Consultants:

Restaurants, hotels and other caterers often engage advisors to ensure that meals meet specific conditions, such as nutritional standards or the dietary laws of a religion; for example, a rabbi that reviews food purchases and supervises food preparation to ensure that a meal is kosher. The rabbi is not required to collect tax on a service fee charged to the meal provider. However, the fee paid to the rabbi forms part of the total taxable sale price charged by the meal provider for the catering service, even if it is segregated on the invoice.

Guaranteed Number of Meals:

When a caterer requires a guarantee for the number of meals to be served at a function, the tax applies to the total amount charged for the catering service, even though the charge may exceed that which would be charged on a per meal basis.

Prepared Food and Beverages sold in Nursing Homes:

Nursing homes that regularly serve prepared food and beverages to visitors and/or staff or operate a lounge or bar where they sell alcoholic beverages must register to collect RST on these sales.

Construction Campsites:

RST is collectable on prepared food and beverages sold to employees of construction, railway, hydro, telephone or other companies at a company operated campsite.

A company is not required to pay RST on meals that it prepares and provides to its employees without charge as a term of employment. If the company hires a caterer to prepare the meals, the fee for the catering service is subject to tax.

SECTION 7 - SUPPLIES AND EQUIPMENT PURCHASED BY RESTAURANTS AND SIMILAR ESTABLISHMENTS:**Exempt supplies:**

Restaurants and other establishments may purchase the following supplies, and other similar supplies are exempt from tax when used in the provision of prepared food and beverages. These products are considered to become part of the food or beverages sold to the customer.

- Disposable containers;
- Bags;
- Paper liners;
- Disposable placemats;
- Disposable dishes;
- Disposable utensils;

- Paper napkins;
- Stir sticks;
- Cocktail picks;
- Straws.

Other items such as coffee filters, non-sticking agents used on cooking equipment and aluminum foil that are consumed while in direct contact with food being prepared for sale. This also includes bake pans used to mold products like muffins while being baked.

Taxable supplies and equipment:

Restaurants and other establishments are required to pay the tax on items they purchase for their own use in carrying out their business. Examples of taxable purchases are:

- Dishes;
- Cutlery;
- Cookware;
- Cleaning supplies;
- Paper towels;
- Equipment and furniture;
- Reusable linen such as tablecloths, napkins, placemats, dish towels;
- Serving trays;
- Stationery;
- Menus;
- Toilet tissue;
- Matches.

SECTION 8 – REVISION SUMMARY:

- Adding information on recycling levies in Sections 2 and 3
- Adding additional food and beverages as being RST exempt in Section 3.
- Adding information on nutritional supplements in Section 4.
- Minor revisions

FURTHER INFORMATION:

This bulletin is intended to serve as a guideline and is not all-inclusive. For the specific wording of the law, please refer to The Retail Sales Tax Act and Regulation. Further information may be obtained from:

Manitoba Finance
Taxation Division
101 - 401 York Avenue
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Telephone: 204-945-5603
Manitoba Toll-Free: 1-800-782-0318
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E-mail: MBTax@gov.mb.ca
Web Site: <https://www.manitoba.ca/finance/taxation/>

ONLINE SERVICES:

Our Web site [here](#) provides tax forms and publications about taxes administered by the Taxation Division, and a link to Manitoba's laws and regulations. Forms and publications can also be obtained by contacting the Taxation Division.

TAXcess, our online service, taxcess.gov.mb.ca provides a simple, secure way to apply for, and to file, pay and view your Taxation Division tax accounts.