

The Louisville Municipal Code (LMC) imposes sales tax on the purchase price paid for all food and beverages sold in the City, and/or delivered into the City. Tax is due based on the location of the catered event.

Caterer's may purchase food and certain catering supplies exempt from sales tax provided those items are for resale or for rent, and that sales tax will be charged and collected by the caterer from the purchaser. Exempt purchases may include food, chafing or serving dishes, eating utensils, and linens.

Items for direct use by the catering company and not for resale are subject to sales tax to the caterer at the time of purchase, or use tax if no sales tax was paid at the time of purchase. Louisville will give credit for other lawfully imposed municipal sales tax paid up to the amount of the Louisville rate on purchases made by City caterers. Examples of non-exempt purchases include pots and pans, steam tables, storage containers and uniforms.

Caterers are liable for the tax on the total selling price of items sold, rented, or charged for, which are essential to the providing of the meals and beverages and/or, which charges are not separately stated. Sales tax must be separately stated on the customer invoice and may not be absorbed into the total price. Some examples of essential charges subject to tax may be for, set-up, tear-down, staff to serve food, the rental of chairs, linens, service pieces, flowers, decorations or centerpieces.

Delivery charges separately stated on the customer invoice are not subject to Louisville sales tax.

Examples

Louisville Company A is catering a "Thank You" dinner in the City to thank its customers for their patronage. It has hired Catering Company B which is located outside the City. The caterer provides and delivers all the food, beverages, tables, chairs, table linens, glassware, silverware and centerpieces. They also provide two employees to serve food on the buffet line, one bartender and one table busser. The total charges are \$800 for the food and beverage, \$250 for the rentals and a \$200 service charge for the wait staff. The total of \$1,250 is subject to Louisville sales tax.

Louisville Caterer C purchases new cake pans, bread pans and hors d'oeuvre trays from a restaurant supply house on the internet. The goods are shipped to Louisville and the supply house charges State sales tax only. Louisville Caterer C is responsible to pay Louisville use tax on the purchase price paid for the items delivered.

Charitable organizations may provide a caterer with a tax exempt certificate and purchase the food from the caterer without payment of sales tax; however, if the charitable organization is charging attendees a set price or requires them to purchase a ticket to attend the fundraiser which includes the meal, then the caterer should charge the organization all applicable sales tax based on the location of the event.

Caterer D is hired by a Louisville resident to supply the food for a family reunion. The caterer delivers the food to the resident's home. The charges are \$350 for the food and a \$25 delivery charge. The \$350 is subject to Louisville sales tax.

The information contained in the Tax Guide publications is intended to offer general guidance in layman's terms, for this topic, industry or business segment, and is not intended for legal purposes to be substituted for the full text of the Louisville Municipal Code rules and regulations. This guide does not constitute a city tax policy.