WAKE COUNTY PREPARED FOOD/BEVERAGE SUMMARY
FOR FAIR CONCESSIONAIRES

What is the tax? The 1% Prepared Food and Beverage Tax is an additional tax charged on any prepared food or beverage. A prepared food or beverage is defined as any food or beverage which has been altered by preparing, combining, dividing, heating or serving in order to make the food or beverage available for immediate human consumption.

When did this tax take effect? The effective date of the tax levy was January 1, 1993. The resolution was adopted by the Wake County Commissioners on December 16, 1991. The enabling act was ratified by the General Assembly on July 8, 1991 and as amended by Senate Bill 606 which was ratified July 19, 1995.

What is the money collected being used for? The monies are to be distributed in accordance with an "Interlocal Agreement between Wake County and the City of Raleigh" dated November 19, 1991 and as amended by Senate Bill 606 which was ratified July 19, 1995. Questions concerning specific projects named in the Agreement should be directed to the City Manager's Office or County Manager's Office.

What types of foods/beverages are taxable?

- Food plates or food products that are prepared and sold at retail ready for immediate human consumption. Any items that are heated or maintain above room or air temperature.
- Any beverages (i.e. canned, bottled or fountain soda, coffee, hot chocolate, cider, fruit drinks, milk, snow cones, water, etc.)
- Prepackaged items that are prepared by the retailer (i.e. candied apples, cotton candy, popcorn, peanuts, fudge, whole cakes, pies, loaf bread, any other bakery products, etc.).
- Items divided from a package or items sold on an individual basis or by the slice (i.e. pickles, donuts, taffy, slices of pie or cake, etc.).
- When a combination of eligible and ineligible foods are prepackaged and sold for a single price, the transaction is subject to the Prepared Food & Beverage tax.
- Prepackaged items: If you contracted the packaging, it is your recipe, under your LLC & your trade name you are considered the manufacturer, regardless that you requested a packaging plant bottle/package it for you. It is subject to PFB- because you're the source of the recipe.

What types of foods/beverages are not taxable?

- Sales from vending machines.
- Prepackaged items: If they are **prepared by someone other than the retailer** (i.e. Prepackaged ice cream, pre-wrapped sandwiches, packaged crackers or nuts, etc.).
- Whole cakes or pies that have not been prepared or altered by seller.
- Foods that have not been altered (i.e. Whole fresh fruit, raw peanuts, etc.).
- Bulk items that are merely re-packaged but not otherwise altered (by heating).

What should I do if I have questions? Please call 919-856-5999.

Email Us at wakepfbfair@wake.gov