

Revised Guide for Bottled Water Purchases Made With SNAP (Food Stamps)

This notice addresses the purchase of bottled water with SNAP (Food Stamps) or a LINK card. The following procedures should be followed for such purchases:

- 1) Retailers who separately state the bottled water tax on their cash register receipts should program their registers to not charge the tax for those transactions involving purchases with SNAP (Food Stamps) or a LINK card. If this is not possible, then some other procedure (such as a manual override) must be put in place by the retail establishment so that the customer is not charged the tax.

- 2) If a retailer programs their cash registers to not separately state the tax but instead displays the price of the bottled water and tax on the bottled water as one price, the cash register should be programmed to reduce the total cost by the \$.05 per bottle of water purchases when a determination is made that the transaction is to be paid for with SNAP (Food Stamps) or a LINK card. If this is not possible, then some other procedure (such as a manual override) must be put in place by the retail establishment so that the customer is not charged the tax.

In both situations mentioned above, the retailer would take a credit for such tax exempt purchases on the next bills received from their wholesalers. The wholesaler in turn would claim a credit for the tax amount refunded to their retailers on the next monthly coupon payment and then reflect the total amount of these deductions claimed throughout the year on line 2b of the tax return worksheet (labeled as “other deductions”) on the Bottled Water Tax return. The retailer and wholesaler must keep records of all these transactions.

If you have questions on this new tax or need assistance, please contact our Customer Service unit at (312) 747-4747.