

INFORMATION NOTICE – RST 26-01

EXPANDED EXEMPTION FOR FOOD ITEMS SOLD AT GROCERY STORES

THE RETAIL SALES TAX ACT

Issued: March 2026

This information notice provides information regarding the exemption for additional food and beverages sold at grocery stores for human consumption, effective July 1, 2026. The exemption will apply regardless of packaging or serving size.

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.

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.

SNACK FOODS:

- Pudding including flavoured gelatine, mousse, flavoured whipped dessert product or any product similar to pudding when sold as single servings.
- 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.
- 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.

Retail sales tax will continue to apply to beverages with an alcohol content greater than 1%, dietary supplements and taxable non-food items sold in grocery stores.

WHAT IS A GROCERY STORE?

A grocery store means a physical location or an online sales platform that offers for sale some of the following food products for preparation and consumption outside of the location:

- Canned, dry and frozen foods.
- Fresh fruit and vegetables.
- Meats, fish and poultry, whether fresh or prepared.
- Dairy products.

It does not include:

- A food service establishment within a grocery store where food suitable for immediate consumption and sold separately from non-taxable food, for example a coffee shop, restaurant or food order counter located in a grocery store.
- A store that is:
 - less than 280 square meters,
 - holds a retail dealer's licence issued under The Tobacco Tax Act, and
 - located in a municipality incorporated as a city.
- A restaurant or licenced premises specified in a liquor service licence issued under The Liquor, Gaming and Cannabis Control Act.
- A cinema or a sports or live entertainment venue where, motion picture films, sports events or live performances are staged.
- A sports or recreational facility including a golf course, curling club or hunting or fishing lodge.
- A vending machine.
- A contract for, or in conjunction with, catering services.

FURTHER INFORMATION MAY BE OBTAINED FROM:

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