



## CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

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## Let's Get Cooking! Sales of Certain Cooking Classes Are Nontaxable

Does your business provide cooking classes to the public? Cooking class providers offer individuals the opportunity to improve their culinary skills by providing cooking instruction. These classes may be held in retail locations with professional kitchens or may be offered as in-home instruction to customers. How tax applies to sales made by cooking class providers depends on the nature of the cooking instruction, whether students are charged a single amount (lump-sum) or separate amounts for the instruction received and the food prepared, and the types of items sold.

When the intent of a cooking class or series of classes is to provide the service of culinary instruction, and the food received by the students is incidental to that instruction, you are considered the consumer<sup>1</sup> of the food incidentally used in rendering your instructional services. In this situation, a lump-sum charge for the instruction and food incidentally provided to your customers is generally considered a charge for a nontaxable service. Cooking classes where instruction is considered the intent of the transaction generally include classes where there is a significant amount of time spent providing instruction on preparing each dish, the class involves active student participation and is not limited to demonstration by the instructor, and students are charged a lump-sum amount which includes the cost of both the educational instruction and the incidental food prepared during the class. For example:

You offer a cooking class for \$100. During the class, the instructors demonstrate cooking skills and techniques, and the students actively participate in preparing and cooking each part of a multi-course meal, including chopping, mixing, cooking, and serving. At the end of the class, students eat the meal they prepared. In this example, the intent of the transaction is the cooking instruction, and, therefore, you are considered the consumer of the food and other items used during the class, whether you perform your services in a retail location or in an at-home location. Tax generally will not apply to your purchases of food ingredients as these are considered sales of food for human consumption.<sup>2</sup>

In the example above, if instead of charging students a lump-sum amount, the price for the cooking instruction and meal were stated separately, then the price for the meal would be subject to tax, while the price for the cooking instruction would be exempt from tax as an educational service.

If you provide cooking classes with meals for students where the intent of attending a class is to receive the food, or when a cooking demonstration is provided instead of a class with active student participation, all of your charges are taxable, regardless of whether instruction and food are billed lump-sum or separately stated. If you provide a cooking class during regular business hours at a location that normally operates as a restaurant, it is presumed that the intent of attending the class is receiving the meal, and your charges are generally taxable.

Your business may offer products and services beyond cooking instruction and food. Depending on the types of items or services you provide, the sales of these items or fees you charge are generally taxable. For example:

- Pre-prepared foods
- Alcohol
- Carbonated beverages<sup>1</sup>
- Charges for serving customer-furnished beverages (for example, corkage fees)
- Cookbooks, utensils, or other kitchen appliances and gadgets

For more information, see *Tax Guide for Cooking Class Providers* at [www.cdtfa.ca.gov/industry/cooking-class-providers/](http://www.cdtfa.ca.gov/industry/cooking-class-providers/) and publication 22, *Dining and Beverage Industry*.<sup>3</sup> You may also contact our Customer Service Center at 1-800-400-7115 (TTY:711). Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

<sup>1</sup> Regulation 1501, Service Enterprises Generally, [www.cdtfa.ca.gov/lawguides/vol1/sutr/1501.html](http://www.cdtfa.ca.gov/lawguides/vol1/sutr/1501.html)

<sup>2</sup> Regulation 1602, Food Products, [www.cdtfa.ca.gov/lawguides/vol1/sutr/1602.html](http://www.cdtfa.ca.gov/lawguides/vol1/sutr/1602.html)

<sup>3</sup> Publication 22, Dining and Beverage Industry, [www.cdtfa.ca.gov/formspubs/pub22.pdf](http://www.cdtfa.ca.gov/formspubs/pub22.pdf)