

# Are you up to speed on your Valentine's Day tax facts?

Wolters Kluwer Tax & Accounting takes a look at sales taxes on popular Valentine's Day gifts



## Valentine's Day Fast Facts



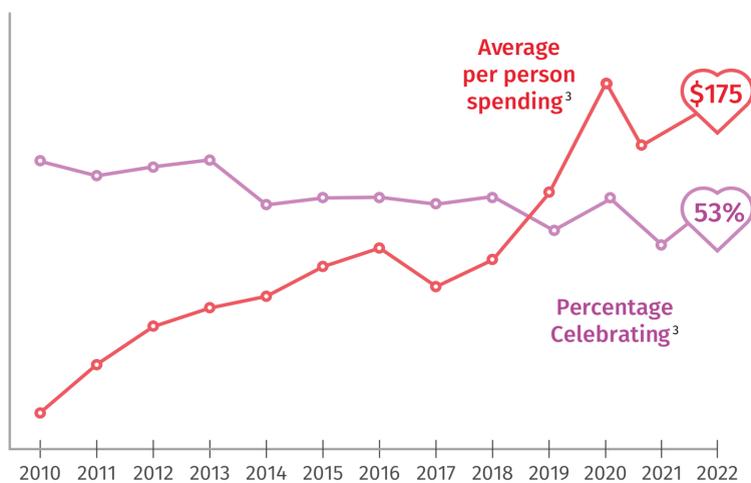
Over **145 million** Valentine's Day cards are exchanged each year<sup>1</sup>



Americans are expected to spend **\$10.7B**, on **jewelry (\$6.2B)**, **flowers (\$2.3B)**, and **candy (\$2.2B)**<sup>2</sup>

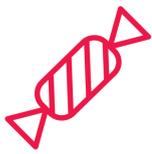


**58%** of Americans say that romantic gestures are more important to them now than they were pre-pandemic<sup>2</sup>



## Top Valentine's Gifts and Sales Tax Implications

Currently, five states do not have a sales tax: **AK, DE, MT, NH, and OR.**



Candy, and in particular chocolate, remains a popular Valentine's Day gift choice. Some states have adopted a uniform definition of candy, but many use their own unique definition. A few states separately address chocolate

Candy is subject to sales tax in 29 states and exempt from sales tax in 16 states and the District of Columbia\*



Many states do not specifically address jewelry, making it subject to the general sales tax rate. In those states that do mention jewelry, it is taxable or even subject to a higher tax rate\*



Flowers are generally taxable; however, a couple of states have limited exemptions for flowers from certain sources. A few states have a sales tax exemption for food-producing plants\*



Dining out, or "prepared food" in sales tax speak, is pretty uniformly taxable even if there is otherwise an exemption for other food, but again definitions vary\*



A day at a spa is a service, and many states do not tax services. In the half-dozen states that specifically mention spas, some tax them and some do not\*



And, if a pet is the object of your Valentine's Day attention, the gift is likely to be taxable\*

\* Please consult the tax code in your state for additional information or consult with your tax and accounting professional.

## And don't think this holiday is just for hopeless romantics.

Retailers can't help but feel warm and fuzzy when Valentine's Day spending occurs. However, failure to comply with sales tax rules can quickly turn love into heartbreak. Wolters Kluwer Tax & Accounting provides the comprehensive solutions you need to stay sales tax compliant.

Visit [www.wolterskluwer.com/tax-and-accounting](http://www.wolterskluwer.com/tax-and-accounting) to learn more

Sources:

<sup>1</sup> Good Housekeeping, <https://www.goodhousekeeping.com/holidays/valentines-day-ideas/a26863/valentines-day-facts/>

<sup>2</sup> WalletHub, <https://wallethub.com/blog/valentines-day-facts/10258>

<sup>3</sup> National Retail Federation, <https://nrf.com/topics/holiday-and-seasonal-trends/valentines-day>