

# General Sales and Use Tax Rates and Taxability

## Welcome to General Sales and Use Tax Rates and Taxability

This bulletin provides important information about the January 2023 release of General Sales and Use Tax Rates and Taxability. Please review this bulletin carefully. If you have any questions, additional information is available on CCH [Support Online](#).

## January Sales Tax Holiday

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### **Puerto Rico – January 13 & 14, 2023**

School uniforms and specified school supplies will be exempt.

<https://hacienda.pr.gov/publicaciones/carta-circular-de-rentas-internas-num-22-10-cc-ri-22-10>

## Updates and Changes

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### **Colorado Bag Fee**

Colorado is imposing a statewide fee of 10 cents (municipalities may impose higher fees) for carryout bags.

### **Colorado Hygiene Products Exempt**

Colorado state tax will no longer apply to sales of diapers and feminine hygiene products. Localities may exempt these items as well.

### **Iowa Hygiene Products Exempt**

State and local taxes will no longer apply to sales of diapers and feminine hygiene products.

### **Kansas Food Tax Reduction**

Kansas will be reducing the state rate on eligible food for home consumption from the general rate of 6.5% to 4%, effective January 1, 2023. The rate is further scheduled to be reduced to 2% effective January 1, 2024, and to be eliminated on January 1, 2025. Local taxes continue to apply at the regular rate. Eligible food includes candy, soft drinks, dietary supplements, and certain prepared foods sold without utensils, such as baked goods and unheated foods mixed or combined by the retailer and sold by weight or volume as a single item.

### **Kentucky Services**

Many services are becoming taxable starting January 1, 2023. Among the changes are the taxability of valet parking, alarm monitoring, interior design, clothing alteration and various software services.

### **Michigan Heavy Equipment Rental Fee**

A 2% tax will apply to rentals of eligible heavy equipment starting January 1, 2023.

### **Virginia Food and Hygiene Products**

The 1.5% state tax on food and hygiene products is eliminated effective January 1, 2023. The 1% local tax continues to apply.

All other changes relate to rate and taxability updates.

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