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Consumer Taxes

Number: TVQ. 177-6/R2
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Act(s): *Act respecting the Québec sales tax (CQLR, c. T-0.1), section 177*

Subject: **Ready-to-Eat Cold Pizza**

This version of interpretation bulletin TVQ. 177-6 supersedes the version of December 30, 2009. The bulletin was revised to make sure it is relevant and up to date. The position set out in the bulletin remains the same. Only some style changes were made.

This bulletin explains how the *Act respecting the Québec sales tax* (AQST) applies in respect of supplies of ready-to-eat cold pizza that are made at food stores.

DESCRIPTION OF THE SITUATION

1. Some food stores sell cold pizzas consisting of cooked pizza dough topped with, for example, tomato sauce.
2. Generally speaking, food stores cook and then cool the pizzas before offering them for sale. Although the pizzas are usually consumed cold, they may also be reheated for consumption at the purchaser's home.

LEGISLATIVE PROVISIONS

3. Under section 177 of the AQST, supplies of food or beverages for human consumption, including seasonings, sweetening agents and other ingredients to be mixed with or used in the preparation of such food or beverages, are zero-rated supplies. However, supplies of the products listed in paragraphs (1) through (19) of that section are subject to Québec sales tax (QST).
4. More specifically, paragraphs (16), (16.2), (16.5) and (18) of section 177 of the AQST refer to supplies of the following products:

- food or beverages heated for consumption;

- sandwiches and similar products other than when frozen;
- food or beverages sold under a contract for, or in conjunction with, catering services;
- food or beverages sold at an establishment at which all or substantially all of the sales of food or beverages are taxable supplies.

APPLICATION OF THE ACT

5. Supplies of ready-to-eat cold pizza that are made in the circumstances described in point 2 above are zero-rated supplies in accordance with section 177 of the AQST.
6. Revenu Québec considers that such a supply does not constitute a supply of a sandwich or similar product, referred to in paragraph (16.2) of section 177 of the AQST, or a supply of food heated for consumption, referred to in paragraph (16) of section 177 of the AQST.
7. However, sales of ready-to-eat cold pizza by a food store under a contract for catering services are taxable supplies under paragraph (16.5) of section 177 of the AQST, as are all the sales of food or beverages under such a contract.
8. Likewise, sales of ready-to-eat cold pizza at an eating facility within a food store constitute taxable supplies

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under paragraph (18) of section 177 of the AQST. Revenu Québec considers the eating facility to be an establishment at which all or substantially all of the sales of food or beverages are taxable supplies.

9. Furthermore, sales of ready-to-eat cold pizza in the form of a pizza sandwich or pizza sub constitute taxable supplies under paragraph (16.2) of section 177 of the AQST since the product is then similar to a sandwich.