

WHAT IS SALES TAX?

The prices you see when shopping are not always what you'll pay. That's because your state or province will add a sales tax. Sales tax is a tax paid to the government for the sale of things. This tax is a percentage of the total cost of the things you are buying.

Be Aware: Sales tax will be different for every state.



CALCULATING SALES TAX

The sales tax is an increase to the cost. When budgeting what you can spend on things, remember to add in the sales tax.

So now you have to calculate the sales tax. How would you do this? First you need to know what percentage the sales tax is in your state or province. Let's say the sales tax is 10%.







EXAMPLE SALES TAX

Apples: \$4.99

Bread: \$3.99

Meat: \$5.99

Total = \$14.97

Now you have the total cost of everything you buy.

Now you need to find the total cost with the tax.

\$14.97 + 10% = total cost

 $$14.97 \times 0.10 = 1.497 in tax

Round to the nearest 100th = \$1.50

\$1.50 + \$14.97 = \$16.47

The total cost with the sales tax will be \$16.47.

Do you know what the sales tax is in your state? How could you find out?



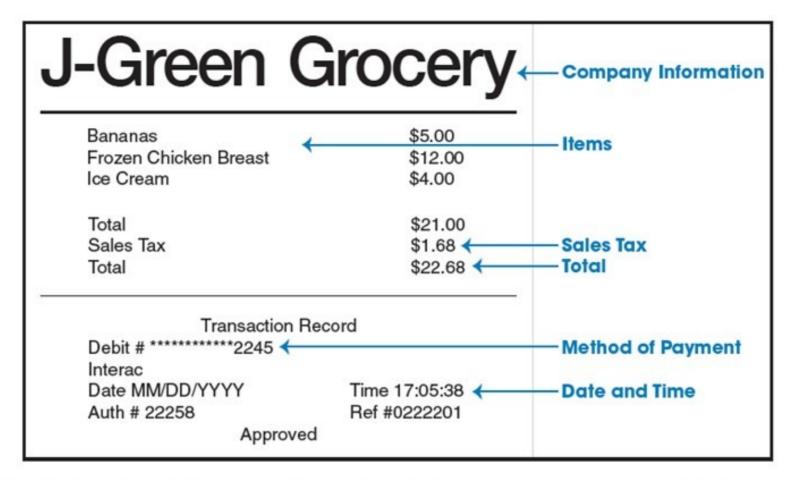
KEEPING TRACK

A sales receipt breaks down the total cost. It also gives you a record of your spending. It's a good idea to keep these receipts to help you keep track of your budget.









Javier went shopping at the local grocery store. A list of things he bought is shown in the receipt. Finish the receipt with the total cost and sales tax.

J-Green Grocery		
Apples	\$4.99	
Bread	\$3.99	
Ice Cream	\$5.99	
Lettuce	\$0.75	
Cereal	\$2.99	
Tomato Soup	\$1.75	
Total	\$	
Sales Tax (12%)	\$	
Total	\$	
Transaction Record Debit # ********1258		
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government budgeting percentage
Sales increases

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for the sa	le of things. This tax is a	of
the total	cost of the things you are buying	. The sales
tax	the cost of the sale. Who	en
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J-Green G	arocery
Chicken Fillets	\$11.99
Bread Crumbs	\$2.29
Buns	\$2.99
Lettuce	\$0.75
Mustard	\$1.16
Total	\$
Sales Tax (8%)	\$
Total	\$
Transaction Re Debit # *********9988 Interac Date MM/DD/YYYY Auth # 22258 Approved	Time 17:05:38 Ref #0222201