



## 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.

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# 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%.

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## 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.

$\$14.97 + 10\% = \text{total cost}$

$\$14.97 \times 0.10 = \$1.497$  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.

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**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.

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# SAMPLE RECEIPT

<b>J-Green Grocery</b>		← <b>Company Information</b>
Bananas	\$5.00	← <b>Items</b>
Frozen Chicken Breast	\$12.00	
Ice Cream	\$4.00	
<b>Total</b>	<b>\$21.00</b>	
Sales Tax	\$1.68	← <b>Sales Tax</b>
<b>Total</b>	<b>\$22.68</b>	← <b>Total</b>
<hr/>		
<b>Transaction Record</b>		
Debit # *****2245		← <b>Method of Payment</b>
Interac		
Date MM/DD/YYYY	Time 17:05:38	← <b>Date and Time</b>
Auth # 22258	Ref #0222201	
Approved		

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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

Interac

MM/DD/YYYY Time 17:05

government

budgeting

percentage

Sales

increases

\_\_\_\_\_ tax is a tax paid to the \_\_\_\_\_  
for the sale of things. This tax is a \_\_\_\_\_ of  
the total cost of the things you are buying. The sales  
tax \_\_\_\_\_ the cost of the sale. When  
\_\_\_\_\_ what you can spend on things,  
remember to add in the sales tax.



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

J-Green Grocery	
Chicken Fillets	\$11.99
Bread Crumbs	\$2.29
Buns	\$2.99
Lettuce	\$0.75
Mustard	\$1.16
Total	\$ _____
Sales Tax (8%)	\$ _____
Total	\$ _____
Transaction Record	
Debit # *****9988	
Interac	
Date MM/DD/YYYY	Time 17:05:38
Auth # 22258	Ref #0222201
Approved	