

# Lesson 23 Assessment

## Calculating Sales Taxes and Tips

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Understands for which items sales taxes are paid

Basic food items, vegetables, and fruit are not taxed. In some provinces, snack foods, such as potato chips, are taxed. Items, such as furniture and electrical goods, are taxed.

Understands the differences between the sales taxes

The provincial sales tax (PST) or retail sales tax (RST) is charged by the province. Goods and services tax (GST) is charged by the federal government. Harmonized sales tax (HST) is the sum of PST and GST.

Calculates PST (RST) and GST (HST)

An adult's jacket costs \$59.99. What is the amount of each tax? What is the total cost of the jacket? Use PST of 7% and GST of 5%.

The PST is:  
 $7\% \text{ of } \$59.99$   
 $= 0.07 \times \$59.99$   
 $\approx \$4.20$   
 The GST is:  
 $5\% \text{ of } \$59.99$   
 $= 0.05 \times \$59.99$   
 $\approx \$3.00$   
 The total cost is:  
 $\$59.99 + \$4.20 + \$3.00$   
 $= 1.12 \times \$59.99$   
 $= \$67.19$   
 The jacket costs \$67.19.

Calculates discount and total cost, including sales taxes

The adult's jacket was on sale for 20% off in a different province. Use HST of 15%. What is the sale price? What is the total cost, including taxes?

The sale price is:  
 $80\% \text{ of } \$59.99$   
 $= 0.80 \times \$59.99$   
 $\approx \$47.99$   
 The total cost is:  
 $115\% \text{ of } \$47.99$   
 $= 1.15 \times \$47.99$   
 $\approx \$55.19$   
 On sale, the jacket costs \$55.19.

### Observations/Documentation