

## The Sales Tax Surprise

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Ever been caught at the store where you have come up short of cash due to the sales tax? More than once we suspect. You won't be surprised then when your kids start saying things like "Why does it always cost more to buy something than the price tag says?"

The notion of taxes starts to enter young kids world when they begin paying for their own things. When we pay taxes, each of us—even kids--does our part to support important public services that keep our lives more safe and secure. And many of these services could not be managed effectively under any other system.



### When To Do

At home, and prior to shopping

### What To Do

Let your kids know that everyone helps to pay for critical services through paying taxes and that sales tax money is sent to the government every time we buy something.

#### Things to try at home:

- Have your kids find out how much your local sales tax is.
- Show your kids printed sales receipts that include a line for the sales tax.
  - Point out where sales tax is usually printed on the receipt.
- Have them keep track how much they each contribute in sales tax with their purchases for a month or two.
- Have your kids to figure out how much money goes to taxes in your state from the purchase of a \$5 toy, for instance, or a \$10 restaurant meal.
- Have them figure out how much your family pays in sales tax a year on the gas you buy for the car if you spend \$100 a month.
- Have your kids collect all the receipts you receive from grocery shopping for a month. Have them add up all the sales tax to learn how much sales tax your family spent in one month just on food.
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#### While on a shopping trip:

- Show them how to figure sales tax while you are looking at items in a store.
  - Let your kids know that sales tax is calculated as a percentage of the total amount we spend on an item.
  - Since young kids will not be able to calculate percentages in their head, help them see the numbers by showing the calculation on a calculator. (Perhaps your cell phone has one!)

### FAST FACT

In 1921, West Virginia became the first U.S. state to enact a sales tax.

### What You'll Need

Calculator  
Receipts from shopping or eating out  
Paper and pencil

### Talk About It

Do you think sales tax is the same in every state? How about every city? Why would it be different? Should we plan our shopping trips where the tax is lower?