Sales Tax and Discounts

PST and GST

A sales tax is charged on many items that are purchased in Canada. This is usually calculated as a percentage of the list price and is then added to the cost at checkout. PST stands for Provincial Sales Tax and GST stands for Goods and Services Tax. Each province sets the percentage for the PST which can change the cost of items in different provinces, however, the GST is set by the federal government and must be followed in all provinces. Some provinces, like British Columbia, have been combined into a Harmonized Sales Tax (HST).

Currently the PST in Saskatchewan is at 6% and the GST for all provinces is 5%. These taxes are calculated every time you buy something from a store on top of the price that has been listed on the item on the shelf.

For example: The list price on an iPad is $549.00? How much will you pay if you purchase it at a store in Saskatchewan?

The PST rate in Manitoba is 8%. How much would the iPad cost if you bought it in Winnipeg?

Example 2: Jake buys a new hockey stick with a price of $49.99. What will the total cost be if he buys it in:

a) Saskatchewan
   (5% GST, 6% PST)

b) Alberta
   (5% GST, no PST)

c) New Brunswick
   (14% HST)
Items are sometimes sold with a discount (a percentage reduction in the cost of an item).

**For Example:** The list price on a new laptop is $899.00 it is on sale with a 20% discount. What is the sale price?

**Example 2:** A video game normally sells for $29.95. It is on sale with a 30% discount. Determine its sale price and total cost if purchased in Toronto (8% PST and 5% GST)

Assignment Page 260 **ALL QUESTIONS FROM THE TEXT BOOK SHOULD BE COMPLETED USING THE NUMBERS FROM THE CHART ON PAGE 256!**