

Sales Tax — Step by Step

A guided introduction • 6% sales tax

Name: _____ Date: _____

What Is Sales Tax?

When you buy something at a store, the store adds **sales tax** to the price. The tax rate in this worksheet is **6%**.

Here is how to find the total cost in **one step**:

$$\text{Total Cost} = \text{Price} \times 1.06$$

The 1 stands for the original price (100%) and the 0.06 stands for 6% tax. Together, 1.06 gives you the total in one multiplication.

Your Budget: \$25.00 — if the total costs more than \$25.00, you cannot afford it.

Quick Reference — Use This to Check Your Work!

Price Before Tax	Total Cost (×1.06)
\$5.00	\$5.30
\$10.00	\$10.60
\$15.00	\$15.90
\$20.00	\$21.20
\$25.00	\$26.50
\$30.00	\$31.80

Worked Example & Practice Problems

Budget: \$25.00 • Tax rate: 6% • Formula: $\text{Price} \times 1.06 = \text{Total Cost}$

Worked Example

Item: Notebook Price before tax: \$5.00 Tax Rate: 6%

Step 1 – Find the total cost:

$$\$5.00 \times 1.06 = \$5.30$$

Step 2 – Can I afford it?

$$\$5.30 < \$25.00 \rightarrow \text{YES!} \quad \text{Money left: } \$25.00 - \$5.30 = \$19.70$$

Problem 1: Water Bottle

Price before tax: \$10.00 Tax Rate: 6%

Step 1 – Find the total cost:

$$\$10.00 \times 1.06 = \$ \underline{\hspace{2cm}}$$

Step 2 – Can you afford it with \$25.00?

YES NO (circle one)

Money left over (if YES): \$

Problem 2: T-Shirt

Price before tax: \$20.00 Tax Rate: 6%

Step 1 – Find the total cost:

$$\$20.00 \times 1.06 = \$ \underline{\hspace{2cm}}$$

Step 2 – Can you afford it with \$25.00?

YES NO (circle one)

Money left over (if YES): \$

Problem 3: Snack Pack

Price before tax: \$15.00 Tax Rate: 6%

Step 1 – Find the total cost:

$\$15.00 \times 1.06 = \$$ _____

Step 2 – Can you afford it with \$25.00?

YES NO (circle one)

Money left over (if YES): \$ _____

Problem 4: Board Game

Price before tax: \$25.00 Tax Rate: 6%

Step 1 – Find the total cost:

$\$25.00 \times 1.06 = \$$ _____

Step 2 – Can you afford it with \$25.00?

YES NO (circle one)

Amount over budget (if NO): \$ _____

Problem 5: Sunglasses

Price before tax: \$20.00 Tax Rate: 6%

Step 1 – Find the total cost:

$\$20.00 \times 1.06 = \$$ _____

Step 2 – Can you afford it with \$25.00?

YES NO (circle one)

Money left over (if YES): \$ _____

Think About It

1. Sales tax means you always pay **MORE / LESS** than the sticker price. (circle one)
2. In Problem 4, why couldn't you afford the board game even though its price was exactly \$25.00?

Answer Key

For teachers only • Sales Tax — Step by Step

#	Item	Price	Calculation	Total	Affordable?	Left / Over
Ex.	Notebook	\$5.00	$\$5.00 \times 1.06$	\$5.30	YES	\$19.70 left
1	Water Bottle	\$10.00	$\$10.00 \times 1.06$	\$10.60	YES	\$14.40 left
2	T-Shirt	\$20.00	$\$20.00 \times 1.06$	\$21.20	YES	\$3.80 left
3	Snack Pack	\$15.00	$\$15.00 \times 1.06$	\$15.90	YES	\$9.10 left
4	Board Game	\$25.00	$\$25.00 \times 1.06$	\$26.50	NO	\$1.50 over
5	Sunglasses	\$20.00	$\$20.00 \times 1.06$	\$21.20	YES	\$3.80 left

Think About It — Answers

1. Sales tax means you always pay **MORE** than the sticker price.
2. The board game costs \$25.00 before tax, but multiplying by 1.06 gives a total of \$26.50 — which is \$1.50 more than the \$25.00 budget.