[(PDF) Taxes and Consumer Behavior](#) importance of price transparency

[Tax transparency: supermarkets ask for time to implement tax breakdown on sales receipts - ProQuest](#)
[Arizona Sales Tax By County](#) tax dataset by county and city
https://sales.tax/expert-articles/why-prices-listed-without-sales-tax/ why we have prices listed without taxes

Step 1:
- Identify a problem: out of pocket cost transparency in the US
- Explore Existing Solutions: [Sales Tax Calculator By State](#) calculators available but many require you to know the tax amount or use averages for county and city. They also do not allow for item by item vs cart calculations
- Justify your choice: price transparency is incredibly important, the stress of having to estimate cost everytime you go shopping. Especially for those with firm budgets an incorrect estimation could cost

Step 2:
- Propose a Software solution: make a database that breaks down sales tax by city and county to give the highest possible accuracy for sales tax. Make a simple program that consumers can enter the listed price and the amount of items they wish to purchase. Present the option to add the items to a cumulative cart for the consumer to have a running out of pocket total, leave it optional so they can choose to see individual items without necessarily building a cart. End the program with the pre-tax, post-tax, and tax costs. Other software I found has the sales tax by state but it doesn't break it down to county and city- which could be twice the state tax rate. They also do not have features for item quantity, making the consumer still have to do mental math to make calculations. The option to build a cart is available on many platforms for stores, however, the tax is not calculated until checkout so keeping a running total is also a factor of mental math.

Pseudocode

```
// database for sales tax amounts
Dictionary with City/County:0.00tax

// welcome module
welcome()
        Display welcome message
        Display option for viewing city/county input options
        Input y/n to view options
        If y then display counties and cities
        Else continue
End module

// tax calculation
// assign tax values for county/city input
```

Tax grab module()
        Display "enter city or county: In the case of both choose the city:"
        Input city or county
        Ignore Caps on input
        While loop input verification
        Search tax.Keys with input
        For Key input tax equals value
Return tax value
End Module
// Calculator module
Tax Calculator()
        While loop for cart feature
        Item counter
        Running total
        Display "Enter the price of item:"
        Input item price
        Display "Enter item quantity:"
        Input item quantity
        Item cost = (item*tax + item)*quantity
        Display item cost (item, tax, and individual price)
        Display "add to cart?"
        Input Yes or No
        Caps Ignore
        If yes cart total = total + item
        Display counter and running total
        Else total = total
        Display "end session?"
        If yes end while loop
        Display total, counter
        Else continue loop

Intro: Price transparency and the frustration of mental math in our day to day life.

Summary of Findings: Prices influence how we purchase things, in the US we do not list the out of pocket price because… that's how it's always been. Despite the obvious importance of price transparency. Many calculators are available but often they still require some searching and mental math by the user.

Real-world application: every single transaction we make every day

Describe design approach: Dictionary style database for county/cities and their sales taxes. Use input to assign a tax value from the dictionary. Input price, input quantity, provide individual post-tax price, add option to "add to cart". Display the total price at the end of the cart.

Solution design proposal: Pseudocode

Open questions: why do we even need tools like this. How to make the database of counties/cities easier to access and build without so much typing

Citations:

Morales, M. (2025, May 5). *Why Don't Retailers Include Sales Tax In Prices?* The Sales Tax People.

https://sales.tax/expert-articles/why-prices-listed-without-sales-tax/

Some states make it illegal for retailers to include sales tax in their purchase price. In Washington state, it was illegal for businesses to include sales tax in the total price until a court case in 2012 changed the decision

"Areas can have multiple local sales taxes, such as a county, city, and even a special tax used to fund things like business development or infrastructure."

"There's not one simple answer for why retailers in the U.S. don't include sales tax in their prices."

"In many countries, sales tax (or VAT) is included in the listed price, so the price on the barcode or tag shows the total amount the consumer will pay. This practice is most common in Europe, where the EU requires all retailers to inc*Arizona Sales Tax By County*. (2024). Tax-Rates.org.

https://www.tax-rates.org/arizona/sales-tax-by-countylude VAT."

Cultural expectation, the price listed is not what they are going to pay.

Olivola, C: Sussman A. B. (2015). Taxes and Consumer Behavior. *Taxes and Consumer Behavior* (21). (p.564-580).
https://www.researchgate.net/publication/294736693_Taxes_and_Consumer_Behavior

Add tax education in schooling to improve the relationship between consumer and taxes.
"Indeed, the presence of taxes and additional costs therein do reduce consumer purchases holding all else constant."

Tax transparency: Supermarkets ask for time to implement tax breakdown on sales receipts. (2024, Dec 13). *CE Noticias Financieras* Retrieved from https://go.openathens.net/redirector/pima.edu?url=https://www.proquest.com/wire-feeds/tax-transparency-supermarkets-ask-time-implement/docview/3144504127/se-2

This Friday, the Customs Control and Collection Agency (ARCA) regulated the **Tax Transparency Regime for Consumers**, which will come into force on January 1, 2025. According to this regulation, merchants must include in the tickets, invoices and vouchers they issue a detailed breakdown of the national taxes paid by the consumer, including VAT.

Although the resolution states that the implementation of the mandatory measure will be staggered until the beginning of April,

supermarkets have warned that, at this stage of the year, it is quite complicated to put it into practice within the foreseen time frame.