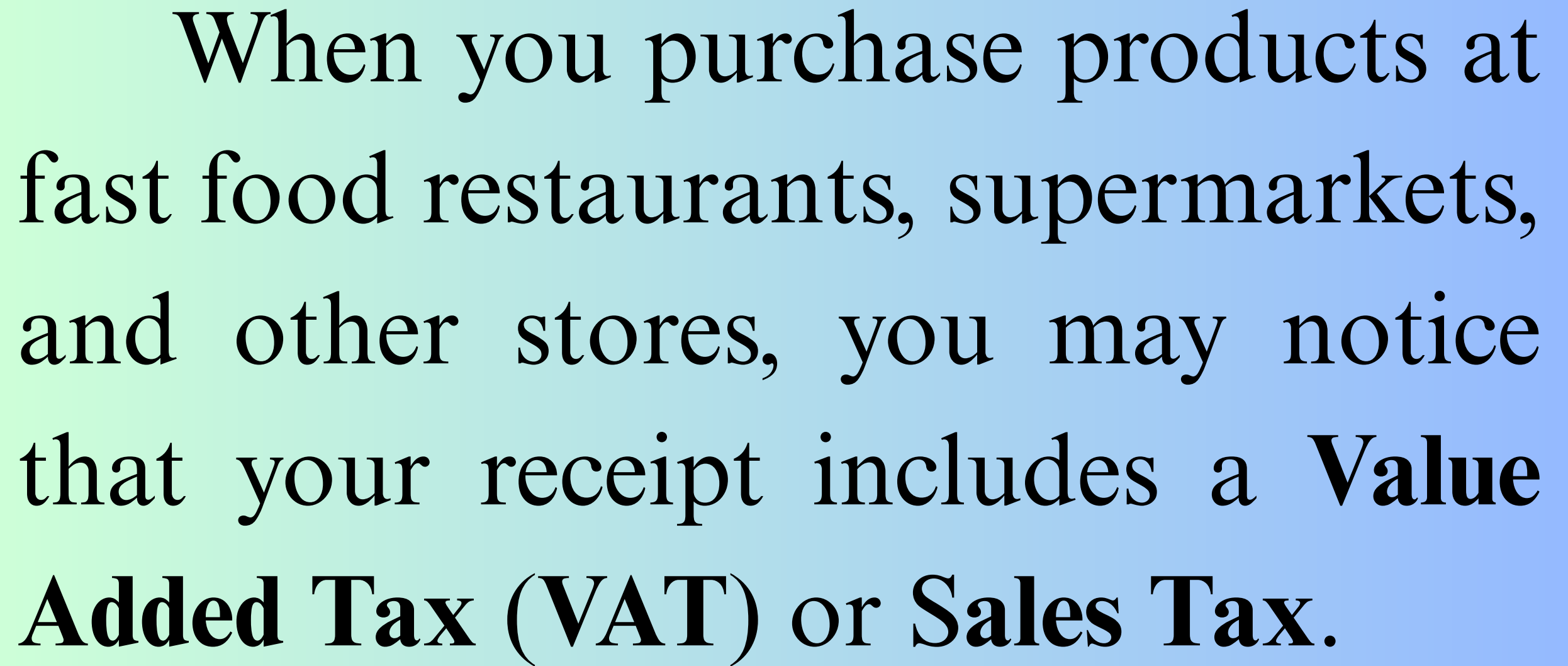




# **SOLVING SALES TAX**



When you purchase products at fast food restaurants, supermarkets, and other stores, you may notice that your receipt includes a **Value Added Tax (VAT)** or **Sales Tax**.

Example:

Maria goes to a grocery store in the Philippines and purchases items totaling ₱5,000. The sales tax rate in the Philippines is 12%. How much sales tax will Maria pay, and what will be the total amount she needs to pay, including the sales tax?

**Example:**

Maria goes to a grocery store in the Philippines and purchases items totalling ₱5,000. The sales tax rate in the Philippines is 12%. How much sales tax will Maria pay, and what will be the total amount she needs to pay, including the sales tax?

**Solution:**

Sales tax = Total Amount of Products × Rate of Sales Tax

$$ST = TP \times RST$$

$$ST = ₱5,000.00 \times 12\%$$

$$ST = ₱5,000.00 \times 0.12$$

$$ST = ₱600.00$$

**Answer: The amount of sales tax is ₱600.00.**

Example:

Maria goes to a grocery store in the Philippines and purchases items totalling ₱5,000. The sales tax rate in the Philippines is 12%. How much sales tax will Maria pay, and what will be the total amount she needs to pay, including the sales tax?

**Computing the total amount to be paid**

$$\text{Total amount} = \text{₱5,000.00} + \text{Sales tax}$$

$$S = \text{₱5,000.00} + \text{₱600.00}$$

$$S = \text{₱5,600.00}$$

**Answer: The total amount Maria paid is ₱5,600.00.**