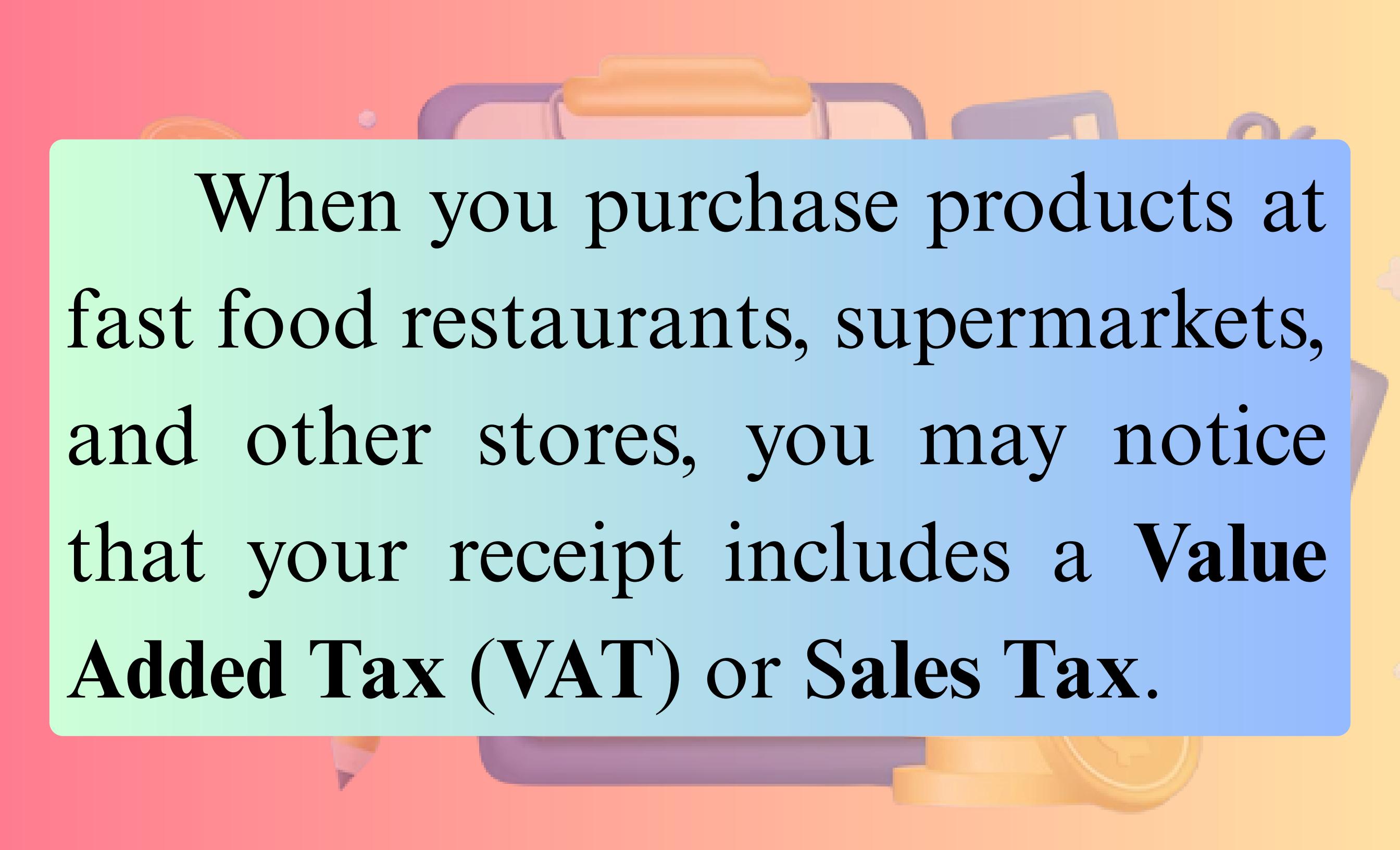




SOLVING SALES TAX



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?

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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**.