


▶ Extending Concepts


Sunglasses In Exercises 23 and 24, use the sales receipt.



ITEM		
Hotshot sunglasses	\$120.00	
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SUBTOTAL	\$120.00	
Shipping	\$0.00	
Sales tax	\$8.40	
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TOTAL	128.40	
-THANK YOU-		

23. While on vacation in Florida, you buy a pair of sunglasses for the beach. The state sales tax rate in Florida is 6%. What is the local sales tax rate?
24. Your friend loves the sunglasses you bought while on vacation in Florida. She decides to buy the same pair of sunglasses from the Ray's Beachwear website. What might be the total cost for her order? Explain.

25. **Exempt** Some items are not subject to sales tax in certain tax jurisdictions. The rules for exempt status can vary greatly from state to state. The state sales tax rate applied on the sales receipt shown at the right is 6%. Which item is exempt from sales tax?
26. **Other Excise Taxes** One of the main purposes of an excise tax is to discourage certain behavior. Name one item or service (not listed in this text) that you think should have an excise tax. Explain how you would define the tax structure, including the rate.



6 in. ham & cheese sub	\$4.50
Bottle of cough syrup	\$7.99
Pack of pens	\$1.99
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SUBTOTAL:	\$14.48
STATE SALES TAX:	\$0.39
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TOTAL:	\$14.87
THANK YOU	



27. **Dining Room Table Set** The value-added tax spreadsheet shows each stage of the production of a dining room table set. Complete the spreadsheet. What is the tax rate?

	A	B	C	D	E
1		Current Value	Value Added	Value-Added Tax	New Value
2	Raw materials	\$0.00	\$1,200.00		
3	Manufacturer	\$1,290.00	\$2,300.00		
4	Finisher	\$3,762.50	\$500.00		
5	Retailer	\$4,300.00	\$1,400.00		
6		Total	\$5,400.00		

28. **National Sales Tax** There has been some discussion about whether the United States should implement a national sales tax in addition to existing state and local sales taxes. Suppose you are entering a debate about a national sales tax. Use the Internet to research the topic. Would you be *in favor of* or *opposed to* a national sales tax? Explain your reasoning.

