

Notes -Tax, Tip, and Commission

Tax, Tip, and Commission

_____ is determined by finding a certain percentage of a purchase price. It is added to your total bill when you make a purchase.

A _____ is money given to someone to show appreciation for a service.

Calculating Sales Tax and Tip

Step One - Multiply the original price by the tax (or tip) percentage.

Step Two - Add the tax (or tip) to the original price.

Ex) What is your total bill if you buy a CD for \$15.50 with a sales tax of 5% ?

Example 1

Bryan went out to eat for dinner. His meal (with the tax included) was \$17.02. If he plans to tip 18%, what is the total cost of his meal?

Example 2

Toby buys a new MP3 player for a price of \$45.50. What is the total amount his credit card is charged if the sales tax is 7%?

Example 3

The Jones family went to dinner at Chili's and ordered \$23.73 worth of food. The sales tax rate was 7.25% and they left a 15% tip for their server. How much was the total bill?

Example 4

Mavis went to the store to buy a pair of pants. The pants were originally \$55. There was a discount of 20% and a sales tax of 7%. What was the final price that Mavis paid?

Notes -Tax, Tip, and Commission

Example 5

A snowmobile priced at \$2,800 is on sale for 20% off. The sales tax rate is 8.25%. What is the sale price including tax?

Calculating the Tax Rate

Step One - Subtract the original price from the total price. This is the tax amount (\$)

Step Two - Set up a proportion to solve for the tax percentage

$$\frac{\text{Tax Amount}}{\text{Original Total}} = \frac{\text{Percent}}{100}$$

Example 6

A fast food meal costs \$4.50 plus sales tax. After sales tax, the meal is \$4.86. What is the sales tax rate?

Example 7

Sam bought two hats that were on sale for \$12 each. He paid \$25.20 total. What percent sales tax did he pay?

_____ is a fee earned for services, usually a percentage of the total cost.

Calculate the amount of commission earned:
a) 8% on \$80,000 in sales

Find the total earnings, given the salary, commission rate and sales.
a) \$1000 plus 6% on sales of \$2000

b) \$500 plus 10% on sales of \$1400

Example 8

Tavon earns \$250 per week working in an appliance store. In addition, he earns 4% commission on all of his sales. Last week, he sold \$2,800 worth of appliances. What was Tavon's total income for the week?

Example 9

Veronika works at Future Shop and earns \$10.50 per hour plus 6% commission on sales. Last week Veronika worked 40 hours. What was Veronika's weekly gross salary if her total sales were \$2050?