

Edwardo Want To Buy A Kateboard That Cot \$139. If The Ale Tax On Edwardo' Tate I 7%, How Much Will He

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Understanding the Cost of the Skateboard and Tax Implications

When Edwardo plans to purchase a skateboard priced at \$139, he must also consider the additional costs imposed by taxes. Specifically, the sales tax, which in this case is 7%, will influence the total amount he needs to pay at checkout. To determine the total cost of the skateboard including tax, it is essential to understand how sales tax is calculated and applied.

Basics of Sales Tax Calculation

What Is Sales Tax?

Sales tax is a percentage added to the price of goods and services at the point of sale. It is collected by the retailer on behalf of the government and varies by state, city, or county.

How Is Sales Tax Calculated?

The basic formula for calculating the total amount payable including sales tax is:

$$\text{Total Cost} = \text{Price of Item} + (\text{Price of Item} \times \text{Sales Tax Rate})$$

Alternatively, it can be expressed as:

$$\text{Total Cost} = \text{Price of Item} \times (1 + \text{Sales Tax Rate})$$

For Edwardo's skateboard:

- Price = \$139

- Sales Tax Rate = 7% = 0.07

Calculating the Total Cost for Edwardo

Step-by-Step Calculation

1. Convert the percentage to a decimal:

- $7\% = 0.07$

2. Multiply the price of the skateboard by the tax rate:

- $\$139 \times 0.07 = \9.73

3. Add this tax amount to the original price:

- $\$139 + \$9.73 = \$148.73$

Therefore, Edwardo will pay a total of \$148.73 for the skateboard after including the 7% sales tax.

Implications of the Tax on the Purchase

Budgeting for the Purchase

- If Edwardo has exactly \$139, he will need an additional \$9.73 to cover the tax.

- It's advisable for him to have at least \$149 to comfortably cover the total cost.

How to Save Money or Adjust the Purchase

- Look for discounts or promotions that might reduce the price of the skateboard.

- Consider purchasing from stores where tax might be lower or tax-free days, if applicable.

- Explore second-hand options, which may be exempt from sales tax.

Additional Factors to Consider

Other Possible Costs

- Shipping and Handling: If buying online, additional charges may apply.

- Accessories or Equipment: Helmets, pads, or other gear may add to the overall expenditure.

- Warranty or Service Plans: Some stores offer extended warranties at an extra cost.

Local Tax Regulations

- Sales tax rates can vary significantly depending on location.
- Some jurisdictions have different rates for different categories of goods.
- Always verify the current rate applicable in Edwardo's area.

Summary and Key Takeaways

- The skateboard costs \$139 before tax.
- With a 7% sales tax, the total cost becomes \$148.73.
- Edwardo needs to ensure he has at least this amount to complete the purchase.
- Always factor in additional costs and local tax regulations when planning a purchase.

Conclusion

Understanding how sales tax affects the total purchase price is essential for making informed buying decisions. For Edwardo, knowing that a 7% tax will add approximately \$9.73 to the cost helps him plan his budget accordingly. Whether purchasing online or in-store, considering these additional costs ensures that he is prepared financially and can enjoy his new skateboard without surprises. Always stay updated on local tax rates and look for potential discounts to maximize savings.

Note: The calculations provided are based on the assumption that the sales tax rate is 7% and that no other fees or discounts apply.

Frequently Asked Questions

What is the total cost of the skateboard Edwardo wants to buy?

The skateboard costs \$139.

How do you calculate the total price including sales tax?

Multiply the original price by $(1 + \text{sales tax rate})$.

What is the sales tax rate applied to Edwardo's purchase?

The sales tax rate is 7%.

How much is the sales tax on the skateboard?

The sales tax is 7% of \$139, which is \$9.73.

What is the total amount Edwardo will pay for the skateboard including tax?

Edwardo will pay \$148.73 in total ($\$139 + \9.73).

How do you compute the total cost for a purchase with a 7% sales tax?

Multiply the purchase price by 1.07 to include the 7% tax.

If Edwardo has a budget of \$150, can he afford the skateboard with tax?

Yes, since the total cost is \$148.73, which is within his \$150 budget.

What is the importance of knowing the sales tax when buying items?

It helps you determine the total amount you'll need to pay and avoid surprises at checkout.

If the sales tax rate increases to 8%, how much will Edwardo pay in total?

At 8%, the tax on \$139 will be \$11.12, making the total \$150.12.

Additional Resources

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In today's bustling marketplace, consumers often find themselves navigating a maze of prices, taxes, and fees that influence their purchasing decisions. For Edwardo, a skateboarding enthusiast eager to add a new skateboard to his collection, understanding the total cost involved is crucial. With the skateboard priced at \$139 and an additional tax rate of 7%, the question arises: How much will Edwardo actually pay? This article delves into the intricacies of calculating the total cost, exploring the concepts of sales tax, the steps involved in the calculation, and the broader implications for consumers like Edwardo.

Understanding the Basics: What Is Sales Tax?

Before jumping into the calculations, it's essential to understand what sales tax is and how it functions within retail transactions.

Definition of Sales Tax

Sales tax is a consumption tax imposed by the government on the sale of goods and services. It is typically a percentage of the purchase price added at the point of sale. The primary purpose of sales tax is to generate revenue for public services such as education, infrastructure, and healthcare.

How Is Sales Tax Calculated?

The calculation of sales tax is straightforward:

- Sales Price: The original price of the item.
- Tax Rate: The percentage rate set by local, state, or federal authorities.
- Tax Amount: The product of the sales price and the tax rate.
- Total Cost: The sum of the sales price and the tax amount.

In Edwardo's case, the sales price of the skateboard is \$139, and the tax rate is 7%.

Calculating the Total Cost: Step-by-Step Breakdown

To determine how much Edwardo will pay in total, we need to perform a simple calculation:

$\text{Total Cost} = \text{Price of Skateboard} + \text{Sales Tax}$

Given:

- Price = \$139
- Tax Rate = 7% (or 0.07 in decimal form)

Step 1: Convert the Tax Rate to a Decimal

$\text{Tax Rate (decimal)} = 7\% / 100 = 0.07$

Step 2: Calculate the Sales Tax

$\text{Sales Tax} = \text{Price} \times \text{Tax Rate}$

$\text{Sales Tax} = \$139 \times 0.07$

Sales Tax = \$9.73

Step 3: Calculate the Total Cost

Total Cost = Price + Sales Tax

Total Cost = \$139 + \$9.73

Total Cost = \$148.73

This means Edwardo will pay \$148.73 in total to purchase the skateboard, including the sales tax.

Implications of Taxation for Consumers

Understanding the impact of sales tax on purchasing decisions is vital, especially for consumers making significant or frequent purchases.

Budgeting and Financial Planning

Knowing the total cost upfront allows consumers like Edwardo to plan their budgets effectively. If he has a specific amount allocated for skateboarding gear, factoring in taxes ensures he doesn't overspend.

Price Comparisons

When comparing prices across different stores or online platforms, considering the sales tax helps in making accurate comparisons. A lower base price might be offset by higher taxes in some regions, influencing the final amount paid.

Regional Variations

Sales tax rates vary significantly across different states and municipalities. For example:

- Some states have no sales tax.
- Others may have rates exceeding 10%.
- Certain cities impose additional local taxes on top of state taxes.

Therefore, the actual amount Edwardo pays may differ based on his location.

Broader Considerations: Tax Policies and Their Effects

While sales tax is a routine part of purchasing, its broader implications extend into economic and social realms.

Revenue Generation for Public Goods

Sales taxes are a primary source of revenue for governments, funding essential services such as roads, schools, and emergency services. Consumers indirectly contribute to these through their everyday purchases.

Impact on Consumer Behavior

High sales tax rates can influence consumer behavior:

- Delay Purchases: Consumers might postpone buying non-essential items until they visit regions with lower taxes.
- Shift to Alternative Shopping Methods: Increased online shopping or purchases from regions with favorable tax policies.

Fairness and Equity Concerns

Sales taxes are generally considered regressive, meaning they take a larger percentage of income from low-income individuals. Policymakers often debate ways to make taxation more equitable.

Practical Tips for Consumers Like Edwardo

To navigate the complexities of sales tax effectively, here are some practical tips:

- Research Local Tax Rates: Before making a purchase, check the applicable sales tax in your area.
- Use Online Tools: Several websites and apps can calculate estimated taxes based on location.
- Consider Tax Holidays: Some regions offer tax-free periods on specific items, which can be advantageous for big purchases.
- Budget Accordingly: Always factor in taxes to avoid surprises at checkout.

Final Thoughts: How Much Will Edwardo Pay?

To conclude, with a skateboard priced at \$139 and a 7% sales tax, Edwardo will pay a total of \$148.73 for his new skateboard. While the additional \$9.73 might seem minimal, understanding the calculation process empowers consumers to make informed decisions, budget effectively, and appreciate the role of taxes in public finance.

As consumers continue to navigate an ever-evolving retail landscape, grasping the fundamentals of sales tax calculations remains a vital skill. Whether purchasing skateboards, electronics, or everyday essentials, being aware of how taxes influence the final price ensures transparency and financial prudence.

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