Name _

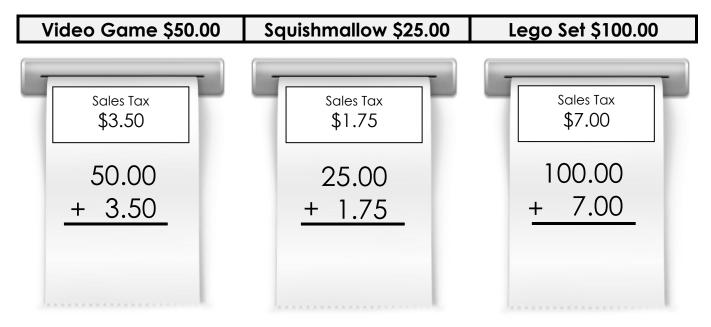
Display Price Debate

A thinkLaw Math Lab

thinkStarter

Imagine you are at a store. You have \$25. You find an item you want to buy that is \$25, but when you get to the cash register, you don't have enough money to buy the item. What happened?

Sales tax is an extra amount of money that you pay when you buy an item or service. States use sales tax to pay for budget items like roads, schools, and fire departments. Each state decides how much to charge for sales tax. Some states don't have a sales tax.



Do you think it's fair to say an item costs \$25 when your total is higher at the checkout? Why or why not?

thinkStarter Summary

Some people believe that the **display price**, or the price that's on the price tag should include the sales tax. Other people disagree. In this thinkLaw lesson we will think about this public policy debate.



Store 1 (Sales tax is NOT included in the display price.)

Markers \$8.00	Books \$10.00	Craft Kit \$12.00	
Sales Tax \$0.56	Sales Tax \$0.70	Sales Tax \$0.84	
+ 0.56	+ 0.70	+ 0.84	
Soccer Ball \$20.00	Football \$15.00	Scooter \$30.00	
Sales Tax \$1.40	Sales Tax \$1.05	Sales Tax \$2.10	
20.00 + 1.40	15.00 + 1.05	30.00 + 2.10	
<u> </u>	1 1.00		
******	******	************	
Board Game \$18.00	Mini Figure \$5.00	Slime \$7.00	
Sales Tax \$1.26	Sales Tax \$0.35	Sales Tax \$0.49	
18.00 + 1.26	5.00 + 0.35	7.00 0.49	
1 1.20	· 0.33	0.47	
		W. HILEIVE THINK	



Store 2 (Sales tax IS included in the display price)

Shirt \$10.60	Pants \$31.80	Shorts \$21.20
Socks \$5.30	Sneakers \$53.00	Flip Flops \$12.72
Necklace \$8.48	Hat \$15.90	Swimsuit \$19.08

You have \$200 to spend at store 2. What will you buy?



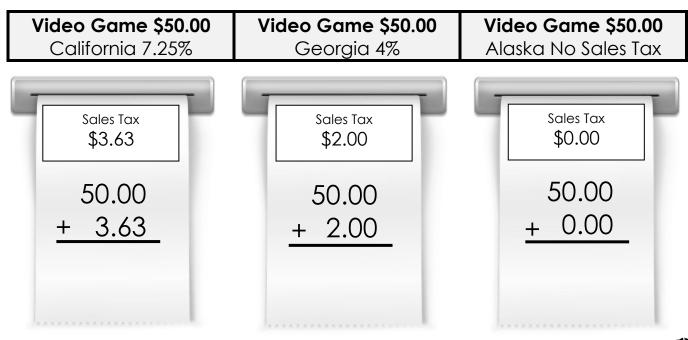
Display P	rice?		
Which sto	ore did you p	refer to shop at?	? Why?
	•	ncluded in the c ded in the displ	•
		at do NOT allow ange their rules?	stores to include tax in the display
What are	the argume	nts for both side	S Ś
Display prices should include sales tax.		d include sales	Display prices should NOT include sales tax.
What is yo	our final deci	sion? Use the DF	RAAW+C framework in your response.
D	Should display prices include sales tax?		
R	What rule would you write?		



A	What is the best argument that display price should include sales tax?	
A	What is the best argument that display price should NOT include sales tax?	
W C	Why is your decision the best decision for the world? How will this decision impact stores? Companies? Shoppers?	
+C	Conclusion	

thinkBigger

Each state can decide how much sales tax to charge. This means that you could buy the same item in a different state and pay a different price.



In January 2023 a bill was introduced to the House of Representatives. A **bill** is an idea for a law. This bill was called, "The Fair Tax Act of 2023."

The bill proposed that there would be one sales tax that would be the same for every state. The sales tax would be 23%.

Right now, the highest sales tax in the country is 7.25%.

BUT that would be the only tax people would need to pay. Right now, when you have a job, the government takes money out of your paycheck for taxes. People would get to keep their entire paycheck but pay a much higher sales tax.

