

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.

Video Game \$50.00	Squishmallow \$25.00	Lego Set \$100.00
<div>Sales Tax \$3.50</div> <div>50.00 + 3.50 <hr/></div>	<div>Sales Tax \$1.75</div> <div>25.00 + 1.75 <hr/></div>	<div>Sales Tax \$7.00</div> <div>100.00 + 7.00 <hr/></div>

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

Sales Tax
\$0.56

$$\begin{array}{r} 8.00 \\ + 0.56 \\ \hline \end{array}$$

Books \$10.00

Sales Tax
\$0.70

$$\begin{array}{r} 10.00 \\ + 0.70 \\ \hline \end{array}$$

Craft Kit \$12.00

Sales Tax
\$0.84

$$\begin{array}{r} 12.00 \\ + 0.84 \\ \hline \end{array}$$

Soccer Ball \$20.00

Sales Tax
\$1.40

$$\begin{array}{r} 20.00 \\ + 1.40 \\ \hline \end{array}$$

Football \$15.00

Sales Tax
\$1.05

$$\begin{array}{r} 15.00 \\ + 1.05 \\ \hline \end{array}$$

Scooter \$30.00

Sales Tax
\$2.10

$$\begin{array}{r} 30.00 \\ + 2.10 \\ \hline \end{array}$$

Board Game \$18.00

Sales Tax
\$1.26

$$\begin{array}{r} 18.00 \\ + 1.26 \\ \hline \end{array}$$

Mini Figure \$5.00

Sales Tax
\$0.35

$$\begin{array}{r} 5.00 \\ + 0.35 \\ \hline \end{array}$$

Slime \$7.00

Sales Tax
\$0.49

$$\begin{array}{r} 7.00 \\ 0.49 \end{array}$$

You have \$100 to spend at store 1. What will you buy?



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 Price?

Which store did you prefer to shop at? Why?

- ☐ Store 1 (Tax not included in the display price)
- ☐ Store 2 (Tax included in the display price)


There are 20 states that do NOT allow stores to include tax in the display price. Should they change their rules?

What are the arguments for both sides?

Display prices should include sales tax.	Display prices should NOT include sales tax.

What is your final decision? Use the DRAAW+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 	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.

Video Game \$50.00 California 7.25%	Video Game \$50.00 Georgia 4%	Video Game \$50.00 Alaska No Sales Tax
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Sales Tax
\$3.63

50.00
+ 3.63

Sales Tax
\$2.00

50.00
+ 2.00

Sales Tax
\$0.00

50.00
+ 0.00

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.

Video Game \$50.00 National Tax 23%	Squishmallow \$25.00 National Tax 23%	Lego Set \$100.00 National Tax 23%
<div><div>Sales Tax \$11.50</div><div>50.00 + 11.50 <hr/></div></div>	<div><div>Sales Tax \$5.75</div><div>25.00 + 5.75 <hr/></div></div>	<div><div>Sales Tax \$23.00</div><div>100.00 + 23.00 <hr/></div></div>

What is your gut reaction to this bill? Why?

Is this bill fair for kids? Why or why not?
