

## Sales Tax, Tips, Discounts and Markups Worksheet

$(1+r) \times \text{original amount}$   
Markup

$(1-r) \times \text{original amount}$   
discount

### Words to Remember

Sales Tax: A tax on a purchase, added to the total sale, usually a percent of the total price

Tip: A percent *earned* by a person for providing a service

Discount: A percent or amount of *decrease* in the price of an item.

$\text{Sale price} = \text{original price} - \text{discount}$

Markup: A percent or amount of *increase* a retail store charges to make a profit

$\text{Retail price} = \text{wholesale price} + \text{markup}$

1. The original price of a shirt is \$18. The shirt is on sale for a 20% discount. What is the sale price of the shirt?

$$100\% - 20\% = 80\%$$

$$.20(18) = 3.60 \quad 18 - 3.60 = \$14.40$$

$$.80(18) = \$14.40$$

2. Your food bill at a restaurant is \$23.50. You leave a 15% tip. What is the total cost of your meal?

$$100\% + 15\% = 115\%$$

$$.15(23.50) = 3.53 \quad 23.50 + 3.53 = \$27.03$$

$$1.15(23.50) = \$27.03$$

3. A craft store bought paint for a wholesale price of \$100. The store charges a 65% markup. What is the craft store's price for the paint?

$$100(.65) = 65$$

$$100 + 65 = \$165$$

$$100\% + 65\% = 165\%$$

$$1.65(100) = \$165$$

4. Payton wants to buy a pair of gym shoes that cost \$75. The shoes are on sale at a 30% discount. How much will Payton spend on the shoes?

$$100\% - 30\% = 70\%$$

$$.70(75) = \$52.50$$

5. A sweater is marked down 35% off the original price. The original price was \$40. What is the sale price of the sweater before sales tax? What will be the total price after 6.25% sales tax is added?

$$100\% - 35\% = 65\% \quad .65(40) = \$26$$

$$100\% + 6.25\% = 106.25\%$$

$$1.0625(26) = \$27.63$$