

### **Tax ... Isn't that interesting?**

- *Explain how to estimate GST and PST:*
  - *GST/PST: add 7% and 8% to get 15%*
  - *determine 10% easily by moving decimal place one place to left*
  - *and then add 5% which is half of that.*
- *Example:  $\$9.00 \times 10\%$ , move decimal one place to left to get 0.90*  
*then  $\$0.90 \times \frac{1}{2} = \$0.45$*   
*add these together and the total tax is \$1.35*

Share other tax rates that they may not be familiar with such as:

- ☐ Accommodation in places such as hotels, motels, hostels and camps for a period of less than one month is taxable at five percent (5%).
- ☐ Admissions to a place of amusement costing more than \$4.00 are taxable at ten percent (10%).
- ☐ Discuss with students other hidden taxes that they pay, in addition to federal and provincial taxes. (i.e. cigarettes, alcohol, gasoline/diesel fuel, ...)

For example:

The hidden costs behind \$1 of gasoline, according to the independent publication "Fuel Fax", as of Feb. 2000:

- 40.1 cents - Cost of crude oil;
- 37.8 cents - Tax in Ontario; it represents federal excise tax (15.3 cents), and provincial tax (22.5 cents);
- 6.4 cents - GST;
- 5.4 cents - Refining margin, covering operating costs plus profit;
- 10.3 cents - Marketing and distribution costs plus profit.

As an extension have students create a circle graph to represent a dollar and estimate the portions that represent various costs and taxes. This could be done on a spreadsheet or prepared circle graphs with the degree markings provided.