



## A Retailer's Guide To The 1% Local Sales Tax

### **Q: Where did this tax come from?**

City of Ponderay voters, voted to approve a 1% local option sales tax for construction of a safe access to the Lake commonly referred to as BlackRock and Field of Dreams development and infrastructure. The tax is for 5 years, January 1, 2020-December 31, 2025.

### **\*A retailer is someone who:**

- Sells or leases to a consumer who does not resell or lease to others. The product has to be purchased or leased.

- Makes more than two retail sales within 12 months, or makes it known that he sells a taxable product or service.

- May be a business, nonprofit organization, government agency, or an individual.

### **Q: Can these funds be diverted for something else?**

No. The funds from the tax may only be used for the projects listed on the ballot and associated infrastructure.

### **Q: What does the tax apply to?**

The 1% Local Option Sales Tax is a point of sale tax which applies to all taxable sales made by retailers within Ponderay city limits, which includes taxable items totaling \$999.99 or less. All retailers are legally required to collect the tax in accordance with Idaho Code Chapter 1046 of Title 50. This tax is IN ADDITION to the 6% Idaho sales tax.

### **Q: When do I pay the tax?**

The City of Ponderay has printed remittance forms for retailers to report sales and remit tax payments on or before the 20<sup>th</sup> of each month for the prior month's sales. The forms are available at City Hall or on the City's website at <http://www.CityofPonderay.org/clerk/cityforms/>. Remittance to the City should occur on the same timeline you remit to the State.

### **Q: What are some examples of a taxable sale?**

- Tangible personal property - Anything you can feel, see, touch, weigh, or measure, other than real property
- Admission charges (i.e. movie/event tickets)
- Facility use fees or tangible personal property for recreation (i.e. health club memberships, park rentals)
- Any custom-made tangible personal property (i.e. custom furniture, clothing)
- Any publication to print or imprint (i.e. newspaper subscription, printing)
- Food, meals, drinks.
- Renting or leasing tangible personal property (i.e. boat rentals, car leases, photocopier leases)

## How to calculate the tax:

The 1% local sales tax is calculated on the retail portion of the sale only—just as the Idaho state sales tax is calculated.

### EXAMPLES:

#### John buys \$100 of groceries at the grocery store.

Cost of groceries	\$100.00
State sales tax 6%	\$ 6.00
Sandpoint sales tax 1%	<u>\$ 1.00</u>
<b>Total cost</b>	<b>\$107.00</b>

#### Mary rents a hotel room for a night; rents a movie and orders room service.

Cost of hotel room	\$65.00
Cost of movie	\$ 5.00
Cost of room service	<u>\$18.00</u>
Total Sale	\$88.00
State sales tax 6%	\$5.28 applied to all items
Idaho Travel/Conf tax 2%	\$1.30 applied to room
only Ponderay occupancy tax 7%	\$4.55 applied to room
only Ponderay local sales tax 1%	<u>\$ .23</u> applied to movie- room service only
<b>Total cost</b>	<b>\$99.36</b>

#### Bob takes his vehicle in for repair.

Cost of parts	\$500.00
Cost of labor	<u>\$600.00</u>
Total Sale	\$1,100.00
State sales tax 6%	\$30.00 applied to parts
Local Option tax 1%	<u>\$5.00</u> applied to parts
<b>Total cost</b>	<b>\$35.00</b>

#### Bob takes his vehicle in for repair.

Cost of parts	\$1,012.00
Cost of labor	<u>\$600.00</u>
Total Sale	\$1,612.00
State sales tax 6%	\$60.72 applied to parts
Local Option tax 1%	<u>\$0.00</u> applied to parts
<b>Total cost</b>	<b>\$60.72</b>

For more information on taxable, non-taxable and exempt sales please visit this helpful website:  
<http://tax.idaho.gov/pubs>