

# Pricing and Sales Tax Information

Cashiers will not have access to change, so all prices must be rounded to an even dollar amount. Example: cookies = \$1.00 each or 3 for \$2.00. Tags will need to state both options if you have “two for \$ or BOGOs”. **If a tag reads anything other than an even amount, the sale price will be rounded down to the nearest even dollar amount.**

**Tags:** You will need to use removable tags. The cashier will take the tag off the product when it is sold. Tags will NOT be returned to you. The city is required to keep the tags until after the annual audit. These tags are the only means the City has of tracking your sales. Tags will need your booth number and the price. If you want to mark down an item, you will need to change the price tag. You will NOT be able to have a % off sale. Each tag must be clearly marked with the new price, rounded to the nearest dollar, and it must include tax.

**Pay Days:** Checks are sent out the month following the sale. This schedule varies from time to time depending on holidays. Checks are usually sent out once per month. A spreadsheet showing each week of the month is available at the Finance office. Most vendors simply use their check stubs to calculate the SD Sales Tax.

**All pricing will need to include tax.** The SD Department of Revenue requires tax to be reported and paid on all sales.

You will be required to submit a sales tax return once a month. You do **not** need a sales tax number. These monthly reporting forms will be available from the Market cashier, and you can get one from the Department of Revenue online. You will need to calculate how much sales tax you owe. You will then fill out the form and send it to the State, along with a check for the amount of tax you owe. Taxes are usually due around the 20<sup>th</sup> of each month for sales made the month prior.

Calculating Taxes = 4.5% general state tax + 2% general city tax + 1.5% tourism tax or special event tax = 8%.

Tax on food and drink is calculated a little differently. Instructions can be found on the form.

There is an additional tax of = 1% for food and drink sales that will be consumed immediately.

Any take-home food such as a whole pie will be 8% tax. However, food that can be immediately consumed, such as a cookie, will be 9%.

**If you have any questions regarding tax rates or reporting methods, please call the Department of Revenue at 605-394-2332.**