

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”.

Tags: You will need to use removable tags. The cashier will take the tag off the product when it is sold. Tags will be returned to you after your sales are calculated for the month. 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 following month, after the second City Council meeting. Example - Checks for sales made during the month of November will be sent out after the second City Council meeting scheduled to take place on December 20. Checks will go out once per month.

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. The City will provide you with a return form by email. Monthly reporting forms will also be available from the cashier. 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.

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.

There is 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 394-2332.