



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

Q: Where did this tax come from?

City of Sandpoint voters overwhelmingly (73%) voted to approve a 1% local option sales tax to support the restoration of War Memorial field (pictured above). The tax is for 5 years, January 1, 2016-December 31, 2020.

Q: Can these funds be diverted for something else?

No. The funds from the tax may only be used for what the voters approved. Per the ballot measure, if any funds remain after the restoration is complete, funds may only be used to improve the City of Sandpoint parks infrastructure, such as City Beach, Travers Park and the associated parking lots.

Q: What does the tax apply to?

The 1% Local Sales Tax is a point of sale tax which applies to all taxable sales made by retailers* within Sandpoint city limits or delivered to an address within city limits. 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 Sandpoint has printed remittance forms for retailers to report sales and remit tax payments on or before the 20th of the month for the previous month's sales. The forms are available at City Hall or on the City's website at <http://www.sandpointidaho.gov/home/showdocument?id=2550> 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)
- Labor to produce, process, or fabricate tangible personal property (i.e. fee to cut and wrap meat, labor or fee for metal fabrication)
- Any publication, or labor to print or imprint (i.e. newspaper subscription, printing)
- Food, meals, drinks and the labor to prepare or serve them
- Renting or leasing tangible personal property (i.e. boat rentals, car leases, photocopier leases)

***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.

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:

1

Joe buys \$100 of groceries at the grocery store.

Cost of groceries	\$100.00
State sales tax 6%	\$ 6.00
Sandpoint sales tax 1%	\$ 1.00
Total cost	\$107.00

2

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
Sandpoint occupancy tax 7%	\$4.55 applied to room only
Sandpoint local sales tax 1%	\$.23 applied to movie and room service only
Total cost	\$99.36

For more information on taxable, non-taxable and exempt sales please visit this helpful website:
http://tax.idaho.gov/pubs/EBR00004_07-28-2011.pdf

