



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

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

On election day, November 3rd, 2015, City of Sandpoint voters overwhelmingly (73%) voted to approve a 1% local sales tax to support the restoration of War Memorial Field (pictured above). 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: Can these funds be diverted for something else?**

No. The funds from the tax may only be used for what the voters approved.

**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 the City of Sandpoint. This tax is IN ADDITION to the 6% State sales tax. All retailers are legally required to collect the tax in accordance with Idaho Code Chapter 1046 of Title 50.

**Q: How long is the tax in effect?**

Voters approved the tax for a period of 5 years, January 1, 2016 – December 31, 2020.

**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. In the near future, the forms will be available from the City's website. Retailers who have been approved for quarterly or annual remittances for Idaho State sales tax may submit a copy of their letter from the State approving the remittance schedule and use the same schedule for the 1% Local Sales Tax.

**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 to a consumer who does not resell (or lease to others). The product has to be purchased.
- 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
<b>Total cost</b>	<b>\$107.00</b>

**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	\$18.00
<b>Total Sale</b>	<b>\$88.00</b>
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
<b>Total cost</b>	<b>\$99.36</b>

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](http://tax.idaho.gov/pubs/EBR00004_07-28-2011.pdf)

