



A Retailer's Guide to the 1% Local Sales Tax

***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: Where did this tax come from?

City of Ponderay voters voted to approve a 1% local option sales tax for the construction of safe access to the Lake, commonly referred to as BlackRock and Field of Dreams development and infrastructure. The tax is for 5 years, from January 1, 2020, through December 31, 2024.

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 that 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 for the prior month's sales on or before the 20th of each month. 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 sales tax:

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

Examples:		
1) John purchases \$100.00 of groceries at the supermarket.		
Cost of groceries	\$ 100.00	
Subtotal	\$ 100.00	
Idaho Sales Tax (6%)	\$ 6.00	How to Calculate Sales Tax: $\$100.00 \times .06 = \6.00
Ponderay Sales Tax (1%)	\$ 1.00	$\$100.00 \times .01 = \1.00
Total	\$ 107.00	
2) A couple purchases new furniture for their home.		
Cost of new: Chair	\$ 225.00	
Lamp	\$ 150.00	
Sofa	\$ 650.00	
Subtotal	\$ 1,025.00	
Idaho Sales Tax (6%)	\$ 61.50	
Ponderay Sales Tax (1%)	\$ -	*Subtotal is OVER \$1000, DO NOT CHARGE 1%
Total	\$ 1,086.50	
3) Mary rents a hotel room for a night; rents a movie and orders room service.		
Room Charge	\$ 65.00	
Movie Rental	\$ 5.00	
Room Service	\$ 18.00	
Subtotal	\$ 88.00	
Idaho Sales Tax (6%)	\$ 5.28	
Idaho Travel/Conf. Tax (2%)	\$ 1.30	*Applied to room charge ONLY
Ponderay Occupancy Tax (7%)	\$ 4.55	
Ponderay Sales Tax (1%)	\$ 0.23	*Applied to movie rental & room service
Total	\$ 99.36	
4) Bob takes his vehicle in for repair.		
Parts	\$ 500.00	
Labor (a service)	\$ 600.00	
Subtotal	\$ 1,100.00	
Idaho Sales Tax (6%)	\$ 30.00	*Applied to the cost of parts ONLY
Ponderay Sales Tax (1%)	\$ 5.00	
Total	\$ 1,135.00	
5) Bob takes his vehicle in for repair.		
Parts	\$ 1,000.50	
Labor (a service)	\$ 600.00	
Subtotal	\$ 1,600.50	
Idaho Sales Tax (6%)	\$ 60.03	
Ponderay Sales Tax (1%)	\$ -	*Parts cost is OVER \$1000, DO NOT CHARGE 1%
Total	\$ 1,660.53	

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