



**CHECKLIST FOR COLLECTING AND REMITTING SALES TAX**

Whether or not Pennsylvania’s 6% sales tax is collected on an item is determined by checking the Retailers' Information booklet, REV-717, available from the Department of Revenue website at <https://www.revenue.pa.gov/FormsandPublications/FormsforBusinesses/SUT/Documents/rev-717.pdf>. The publication lists items by category.

Some common items sold by Friends Groups:

<b>Taxable</b>	<b>Nontaxable</b>
Soft drinks and sports drinks (pp. 20/21)	Ice (pp. 18/19)
Food (pp. 20/21)	Firewood (p. 37)
Books (p. 14)	Water (pp. 18/19)
Souvenirs (p. 34)	T-Shirts (p. 15)
	Laundry machine proceeds (p. 8)

Friends Groups must collect sales tax and report all sales to PPF by the 10<sup>th</sup> of the month immediately following the month of sale. The monthly Department of Revenue Sales Tax Return is completed by PPF by the 15<sup>th</sup> of the month.

Sales are reported using the standard PPF deposit form on which a breakdown of non-taxable sales, taxable sales, and tax collected is recorded by your group in the box in the lower right-hand corner.

To help track sales, PPF has standard multiple-part sales receipts that can be supplied to the Friends Group upon request.

If taxable sales are made “tax included,” an easy formula for determining the portion that is subject to sales tax is:

$$\text{Total collected on taxable sales} / 106\% = \text{\$\$ Amount of taxable sales}$$

$$\text{Total collected on taxable sales} - \text{\$\$ Amount of taxable sales} = \text{Sales tax}$$

FOR EXAMPLE: To calculate the sales tax on \$25 of taxable sales

$$\text{\$25} / 106\% = \text{\$23.58}$$

$$\text{Taxable sales} = \text{\$23.58}$$

$$\text{\$25} - \text{\$23.58} = \text{\$1.42}$$

$$\text{Sales tax} = \text{\$1.42}$$