

## How to estimate your sales tax: example calculation



Final purchase price  
(after trade-in allowance)



Total sales tax  
rate (%)



Taxes owed

EXAMPLE #1: Sales tax to be paid in 2002 on the purchase of a 1998 passenger vehicle with a sales price of \$17,000 and a \$2000 trade-in allowance.

$$\$17,000 - \$2000 = \$15,000 \times 2.9\% = \$435.00$$

**Sales tax** is calculated on the net purchase price (which is the total purchase price less the amount by a dealer for any trade-in).

**Sales tax rates:** State of Colorado 2.9%, Chaffee county 2%, City of Salida 3%, Town of Buena Vista 2.5%, Town of Poncha Springs 3%. Sales tax rates for each sale are determined by the location of the buyer and the location of the seller. Call one of our offices to see which rates apply to your purchase.