

SALES TAX PAYABLE

ABC Company completed transactions during June of the current year and has the following trial balance:

**ABC Company
TRIAL BALANCE
June 30th**

ACCT #	ACCOUNT NAME	DEBIT	CREDIT
1000	Cash	100,541	
1200	Accounts Receivable	28,970	
1400	Office Supplies	570	
1500	Store Supplies	2,825	
1600	Office Equipment	13,685	
2200	Accounts Payable		77,220
2250	GST Charged to Customers		2,650
2251	GST Paid to Suppliers	1,510	
2260	PST Charged to Customers		3,780
4100	Sales		227,055
4110	Sales Returns	1,835	
4120	Sales Discounts	1,486	
4800	PST Commission		
5100	Purchases	129,420	
5110	Purchase Returns		1,700
5120	Purchase Discounts		1,272
5500	Sales Salaries	32,560	
5600	Advertising	275	
TOTALS		313,677	313,677

Required:

Prepare the journal entries to record the payment of the following:

Jul 20 Provincial Sales Tax remittance (Assume Sales Tax Commission of 5%).

Jul 31 Goods and Services Tax remittance.

Working Paper:

DATE	ACCOUNT	PUZZLE	DEBIT	CREDIT
July 20				
	Explain:			
July 31				
	Explain:			

Answer:

DATE	ACCOUNT	PUZZLE	DEBIT	CREDIT
July 20	PST Charged	Liability	3,780	
	PST Commission	Revenue		189
	Cash in Bank	Asset		3,591
	Explain: Payment of PST			
July 31	GST Charged	Liability	2,650	
	GST Paid	Liability		1,510
	Cash in Bank	Asset		1,140
	Explain: Payment of GST			