


# ***ST 2066 - SALES TAX : ANTI-DANDRUFF PREPARATIONS***

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TAXATION RULING NO. ST 2066

SALES TAX : ANTI-DANDRUFF PREPARATIONS

F.O.I. EMBARGO: May be released

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F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1072938	ANTI-DANDRUFF FOAMS ANTI-DANDRUFF SHAMPOOS HAIR MEDICATIONS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT ITEM 38, FIRST SCHEDULE ITEM 19, SECOND SCHEDULE

FACTS                    There is a range of products on the market which may broadly be termed "anti-dandruff preparations". These products have therapeutic properties in that they each contain an active ingredient used in the treatment of dandruff and seborrhoeic dermatitis of the scalp. Selenium sulphide and pyrithione zinc are examples of such ingredients. These active ingredients are combined with a detergent base and generally an emulsifier or thickener so that the medication may be conveniently applied by lathering the product on to the hair and scalp. The shampoo mixture is the vehicle for the active ingredient.

RULING                2.            Where the method of applying an anti-dandruff treatment product is by shampooing it on to the hair and scalp it has been concluded that it is an anti-dandruff foam or shampoo. Examples of such products are Selsun, Selsun Blue and ZP11.

3.            As such these products and other similar anti-dandruff shampoos are excluded from exemption under item 38, First Schedule. As to the rate of tax applicable to such products, it is considered that they are caught by one of the terms hair lotions, hair tonics, hair medications or shampoos contained in item 19, Second Schedule and are taxable at 32.5%.

COMMISSIONER OF TAXATION

26 January 1984