

ST 2099 - SALES TAX: MEDICAL SHEEPSKIN RUGS

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TAXATION RULING NO. ST 2099

SALES TAX: MEDICAL SHEEPSKIN RUGS

F.O.I. EMBARGO: May be released

REF H.O. REF: ST 11/252 DATE OF EFFECT: Immediate
82/12105

B.O. REF: MELBOURNE DATE ORIG. MEMO ISSUED: 30 July 1984
6/SA/SC4/1/123

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1127225	MEDICAL SHEEPSKIN RUGS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT. SUB-ITEM 123(1) FIRST SCHEDULE

OTHER RULINGS ON TOPIC ST 2010 ST 2042

PREAMBLE Sub-item 123(1) in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempts goods designed and manufactured expressly for use by persons suffering from sickness, disease or disablement (whether sickness, disease or disablement, generally, or a particular kind, or one or more particular kinds, of sickness disease or disablement), being goods of a kind not ordinarily used by persons who are not suffering from sickness disease or disablement.

FACTS 2. Medical sheepskin rugs are manufactured from specially selected high quality Australian and New Zealand sheepskins to standards set by the Australian Wool Corporation. They are designed for use by bed-ridden people to provide comfort and to reduce the incidence of bed sores. The rugs are placed over the bottom bed sheet so that the person lies directly on the rug.

3. The size of the medical sheepskin rug is to the order of .75 sq. metres. They are chrome tanned so that they can withstand regular high temperature washing without shrinking. The fibre length is clipped to between 2.5cm and 3.5cm to achieve a stringy fibre. They are dyed a distinctive pink or gold colour to distinguish them from other sheepskin and lambskin products.

4. Sheepskin rugs which fall within the above description and which are advertised and marketed as medical sheepskin rugs are exempt from sales tax under sub-item 123(1) First Schedule.

5. They are to be distinguished from mattress overlays, such as the wool rest sleeper, referred to in Taxation Ruling No. ST 2010, which are items of general purpose bedding and not medical sheepskin rugs. Mattress overlays are covered by item 1, Third Schedule, and are currently taxable at 7.5%.

COMMISSIONER OF TAXATION
16 November 1984

