


***ST 2147 - SALES TAX : COLLECTOR CARDS,
PREMIUM CARDS, SMALL BOOKLETS, ETC.
INCLUDED IN PACKETS OF EXEMPT GOODS SUCH
AS BREAKFAST CEREALS***

 This cover sheet is provided for information only. It does not form part of *ST 2147 - SALES TAX : COLLECTOR CARDS, PREMIUM CARDS, SMALL BOOKLETS, ETC. INCLUDED IN PACKETS OF EXEMPT GOODS SUCH AS BREAKFAST CEREALS*

This document has been Withdrawn.

There is a [Withdrawal notice](#) for this document.

TAXATION RULING NO. ST 2147

SALES TAX : COLLECTOR CARDS, PREMIUM CARDS, SMALL BOOKLETS, ETC. INCLUDED IN PACKETS OF EXEMPT GOODS SUCH AS BREAKFAST CEREALS

F.O.I. EMBARGO: May be released

REF H.O. REF: 83/5516-9 DATE OF EFFECT:
B.O. REF: Sydney : 22/B/D5/2 DATE ORIG. MEMO ISSUED:
Parramatta : X-1/51/1 27 JUNE 1985
Melbourne : 6/C1/SC 24/9
Brisbane : K.113
Adelaide : STE/51(1)
Perth : E/C 1/51(1)
Hobart : S/A/ST 17/59

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1193313	CONTAINERS GIVE AWAYS TWO GOODS SOLD FOR ONE INCLUSIVE PRICE COLLECTOR CARDS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT. ITEM 91, FIRST SCHEDULE. SALES TAX ASSESSMENT ACT (NO.1) SECTION 3.

PREAMBLE

Sub-item 91(1) in the First Schedule to the Sales Tax (Exemptions and Classification) Act exempts containers used in marketing exempt goods provided the property in the container passes, or is to pass, to the purchaser or lessee of the contents.

2. The word "container" is defined in the First Schedule to mean -

- (a) the inner or outer coverings in which goods are packed or secured, or are to be packed or secured, in the ordinary course of business (including inside linings and inside packing materials); or
- (b) goods ordinarily used to secure or seal, or to describe the contents of, coverings to which paragraph (a) applies, being goods forming part of the completed coverings,

and includes can keys, glass droppers and other goods that -

- (c) are accessories of coverings or goods to which paragraph (a) or (b) applies or of goods marketed in such coverings;
- (d) are attached to or form part of the inner coverings or are contained in the outer coverings, of the goods so marketed; and
- (e) are sold with those goods for one inclusive price.

3. Sub-section 3(5) of Sales Tax Assessment Act (No. 1)

provides that, where a sale and purchase, for one inclusive price, is made of goods upon the sale value of which sales tax is payable at a particular rate together with goods upon the sale value of which sales tax is payable at some other rate or is not payable, the respective amounts for which the goods are sold and purchased shall be deemed to be the amounts which, in the opinion of the Commissioner, would have been the sale prices of those goods if sold separately.

FACTS

4. It has been the practice for many years for breakfast cereal manufacturers and manufacturers of other exempt products to include collectors' cards in their packets. The cards may depict animals, sporting personalities, trains, cars, etc. Each card is usually one in a series, the manufacturer's objective being to encourage consumers to keep buying his products to collect the complete series of cards. Although the cards may be part of an advertising or promotional campaign they are not, of themselves, advertising material.

RULING

5. The cards, are taxable at the general rate of 20%. They do not qualify for exemption under sub-item 91(1) as containers. The cards are neither accessories for the inner or outer coverings in which the breakfast cereals, etc. are packed or secured nor accessories for the exempt goods marketed in those coverings. Nor do they meet the requirements of paragraphs (c), (d) and (e) of the definition of "containers".

6. It is accepted that the cards are sold with the exempt product contained in the packet rather than given away. Therefore sub-section 3(5) of Sales Tax Assessment Act (No.1) applies to allow a sale value to be determined for the taxable cards. In the particular circumstances it has been decided that an acceptable sale value for the cards sold in this way is the purchase price of the cards. Where the manufacturer of the exempt product quotes his sales tax certificate of registration upon the purchase of these cards, liability to sales tax will be satisfied by payment of tax on the price for which the cards were purchased. The manufacturer could also satisfy his liability in such instances by refraining from quoting his certificate on purchase and paying sales tax at that point. No further liability would then arise when the cards are sold with the principal goods.

COMMISSIONER OF TAXATION

25 JULY 1985

<