


ST 2251 - SALES TAX : SUNSCREEN PREPARATIONS : INSTANT TANNING PREPARATIONS

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TAXATION RULING NO. ST 2251

SALES TAX : SUNSCREEN PREPARATIONS : INSTANT TANNING
PREPARATIONS

F.O.I. EMBARGO: May be released

REF H.O. REF: 85/5798-5 DATE OF EFFECT: Immediate

B.O. REF: DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1137360	SUNSCREEN PREPARATIONS INSTANT TANNING PREPARATIONS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 38A, FIRST SCHEDULE; ITEM 24, SECOND SCHEDULE

OTHER RULINGS ON TOPIC ST 2041, ST 2048, ST 2078

PREAMBLE Item 38A in the First Schedule to the Sales Tax (Exemptions and Classifications) Act operates to exempt from sales tax sunscreen preparations which are certified by the Secretary to the Department of Health to have an acceptable level of protection from solar ultra-violet rays. Goods that are cosmetics or in the nature of cosmetics are excluded from exemption even though they may have the requisite sunscreen protection.

2. Taxation Ruling No. ST 2078 provided guidance for the types of preparations which are regarded as "cosmetics", "cosmetic preparations" and "goods in the nature of cosmetic preparations" which do not satisfy the requirements of paragraph 38A(a). Since that ruling consideration has been given to whether certain tanning and instant tanning preparations satisfy the requirements of item 38A.

FACTS 3. Self tanning and instant tanning products are formulated to produce a tanned effect on the skin without direct exposure to the sun. While they contain a sunscreen agent and provide protection against solar ultra-violet rays a tan can be achieved by merely applying the product to the skin. The products make claims such as "tan fast with or without the sun", "contains a proven sunless tanner", "creates a natural looking tan indoors in most cases in 3 to 5 hours".

RULING 4. Self tanning and instant tan products are considered to come within the description "cosmetic preparations or goods in the nature of cosmetic preparations". Essentially they are applied to enhance the general appearance of the user which, as Taxation Ruling No. ST 2078 illustrates, is the basic concept for the use of any cosmetic product. Accordingly they are not exempt from sales tax under item 38A.

5. Self tanning and instant tan products, which are not exempt under item 38A, are included in item 24, Second Schedule and taxable at the rate of 30%.

COMMISSIONER OF TAXATION
30 May 1986

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