


ST 2313 - SALES TAX : VIDEO TAPES, FILMS AND SOUND RECORDINGS FOR USE FOR RELIGIOUS PURPOSES

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TAXATION RULING NO. ST 2313

SALES TAX : VIDEO TAPES, FILMS AND SOUND RECORDINGS FOR
USE FOR RELIGIOUS PURPOSES

F.O.I. EMBARGO: May be released

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REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1210332	EQUIPMENT FOR USE IN CHURCH SERVICES AND ARTICLES FOR USE IN RELIGIOUS DEVOTION	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 65, FIRST SCHEDULE

PREAMBLE

Item 65 in the First Schedule to the Sales Tax
(Exemptions and Classifications) Act exempts from sales tax:-

"Equipment for use in churches and church services and articles
for use in religious devotion, viz:-

- (1) Furniture, furnishings, ornaments, vestments and
other articles for use for the purposes of church
services.
- (2) All articles for use in religious devotion except
any article of a kind which is ordinarily and
primarily used for purposes of a non-religious
character".

2. Exemption under sub-item 65(1) may apply to a range of
general purpose goods, e.g., seating, carpets, curtains, vases
etc. All that is required is that the goods be for use in a
church or in church services. On the other hand, however,
exemption under sub-item 65(2) is restricted to goods which are
of an inherently religious nature or, to put it another way, are
specifically designed for the purposes of religious devotion.

3. The expression "religious devotion" is not defined in
the sales tax law. The ordinary dictionary definition of
"devotion" includes "religious observance or worship : a form of
prayer or worship for special use". In the context of sub-item
65(2) it is considered that religious devotion comprehends not
only formal religious observances in a church or other place of
worship but also extends to acts of religious devotion
undertaken by a person in the practice of his or her religion.
Articles which are ordinarily used for religious devotion and
which come within sub-item 65(2) include religious medallions,
statuary, rosary beads, crucifixes, prayer books etc.

4. There is available on the market a wide variety of
video tapes, films and sound recordings which have a religious
theme and may be used in churches and church services. They
include bible readings, church services, lectures and material
of an entertainment nature. The question has arisen whether the
products are exempt from sales tax under item 65.

RULING

5. Exemption under sub-item 65(1) for video tapes, films and sound recordings should be readily capable of determination. If they are acquired for use in churches and church services they will qualify for exemption.

6. Exemption under sub-item 65(2) depends on the nature of the material on the video tape, film or sound recording. Where the article is of a kind that would ordinarily be used for religious devotion, i.e., for use in worship or religious observance, it will qualify for exemption. Where video tapes etc. are of a general nature and used for their entertainment or information value or are of a kind that would not ordinarily be used for religious devotion then exemption under sub-item 65(2) does not apply.

7. It is not possible to lay down any firm guidelines on the kinds of video tapes, films or sound recordings that qualify for exemption under sub-item 65(2). Exemption depends on the form, content and nature of each article. Video tapes, films and sound recordings of readings of the Bible which do not contain extraneous matter, or very little extraneous matter, are exempt under sub-item 65(2). Illustrations of the sorts of things regarded as "extraneous matter" would be commentary on the recorded text of the Bible which may go to characterize the article as more informative or educational rather than religious. Recordings of church services would also qualify for exemption under sub-item 65(2) where for use in religious devotion.

8. Video tapes or films which are not exempt under sub-item 65(2) include cartoons, child guidance, family and marital topics and scientific topics, e.g., the basis of evolution, even though these videos or films may carry a religious message. Historical and documentary films about religious events or prominent religious persons do not qualify for exemption under sub-item 65(2).

9. A number of artists make recordings of popular songs with religious themes, e.g., Christmas carols. Recordings of this nature are not considered to be made for the purposes of religious devotion and are not exempt under sub-item 65(2). Exemption under sub-item 65(2) would apply to recordings of music and hymns which are of a nature that would be used principally for religious devotion, e.g., recordings of music specifically composed for the mass or other religious services.

10. Exemption does not apply under sub-item 65(2) to recordings of religious lectures. They qualify for exemption under sub-item 65(1), however, where they are for use in the conduct of church services.

11. Video tapes, films and sound recordings of a religious theme that do not qualify for exemption under either sub-item 65(1) or 65(2) are taxable at the general rate, currently 20%.

12. Where a vendor of religious video tapes, films and sound recordings is uncertain about the classification of such goods a ruling should be sought from the nearest branch of the Australian Taxation Office.

COMMISSIONER OF TAXATION
8 January 1987