


ST 2075 - SALES TAX : PLASTIC OR PAPER COVERS FOR RECORDS AND PLASTIC RECORD ALBUM ENVELOPES

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TAXATION RULING NO. ST 2075

SALES TAX : PLASTIC OR PAPER COVERS FOR RECORDS AND
PLASTIC RECORD ALBUM ENVELOPES

F.O.I. EMBARGO: May be released

REF

*** NOTE: THIS RULING HAS BEEN MODIFIED BY ST 2193

H.O. REF: ST 50/26 P3

DATE OF EFFECT: Immediate

B.O. REF: Syd. 22/B/D 47/4 DATE ORIG. MEMO ISSUED: 25.09.79
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F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1078633	PROTECTIVE COVERS FOR RECORD ALBUM ENVELOPES INNER RECORD COVERS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT. SUB-ITEM 96(1), FIRST SCHEDULE. SUB-ITEM 46(3), SECOND SCHEDULE.

FACTS

Records are usually marketed by manufacturers in cardboard album envelopes with the record itself being protected in the album envelope by an inner liner. Some retailers remove the records and the inner liners from the album envelopes and use only the album envelopes in their display racks. To protect the album envelopes retailers often place them in covers which are later sold to customers along with the records themselves enclosed in the inner liners. Customers may also purchase the covers separately.

2. The inner liner is usually made of high density (cloudy) polyethylene in the shape of an open ended envelope with the closed end semi-circular in shape. The inner record liner may also be made of other materials such as polythene or polypropylene, or paper or combinations of those materials, e.g. polythene and paper. In all cases the inner liner is specifically designed to protect the record inside the record album envelope - it cannot be used as a record album envelope protective cover.

3. The record album envelope cover on the other hand is usually made of low density (clear) polyvinyl chloride. It is an open ended envelope square in shape specifically designed and of a size for the protection of the record album envelope. The record album envelope covers may also be made of other materials such as polythene, polypropylene or polyethylene.

RULING

4. Protective covers for record album envelopes are accepted as goods of a kind used to wrap up or secure goods for marketing and therefore exempt under sub-item 96(1) in the First Schedule to the Sales Tax (Exemptions and Classifications) Act.

5. Inner record covers are considered to be protective

envelopes for the storage of records and therefore taxable at 32.5% under sub-item 46(3) in the Second Schedule to that Act.

COMMISSIONER OF TAXATION
21 May 1984

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