

ST 2086 - SALES TAX : IMITATION JEWELLERY : ITEMS OF PERSONAL ADORNMENT : TOYS

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TAXATION RULING NO.ST 2086

SALES TAX : IMITATION JEWELLERY : ITEMS OF PERSONAL
ADORNMENT : TOYS

F.O.I. EMBARGO: May be released

REF H.O. REF: ST 50/11 P3 (f.341,343) DATE OF EFFECT: Immediate

B.O. REF: SYD 22/B/D.48/9 P2 DATE ORIG. MEMO ISSUED:
MEL 6/SB/STD.90708

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1121934	IMITATION JEWELLERY ITEMS OF PERSONAL ADORNMENT TOYS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT ITEM 1 SECOND SCHEDULE

PREAMBLE Item 1 in the Second Schedule to the Sales Tax
(Exemptions and Classifications) Act taxes at 32.5%, inter alia,
jewellery, imitation jewellery and personal adornments.

2. A range of products imported from U.S.A., referred to
in U.S.A. advertising literature as jewellery playmates, were
classified at the 32.5% rate under Item 1, Second Schedule, as
items of personal adornment. The Australian distributor
submitted that because of the manner in which the products are
marketed and principally used, they are not items of personal
adornment nor imitation jewellery and should be classified at
the 20% rate as toys.

FACTS 3. The range of goods consists of various animal and doll
characters of moulded plastic generally less than 4cm in
height. Some pieces have the scent of flowers. The characters
are purchased separately or in small sets and can be attached to
items of clothing, hair clips, bracelets, etc. The range is
supplemented by other items for use in play situations including
some which are storage containers for the individual pieces.
The storage containers are in the form of a dollhouse, windmill
and hot-air balloon.

4. The goods are marketed in blister packs with a
cardboard backing on which is printed a story about the various
characters in the product range. Sales are made by the
distributor exclusively to toy wholesalers and major retail
chain stores who sell the products to the public through the toy
sections of their stores.

RULING 5. The manner of packaging and the channels through which
the children's playmate animals and dolls and their storage
containers are marketed supports trade opinion that the range of
products are not imitation jewellery nor items of personal
adornment and any use of the items for personal adornment is
incidental to their main function as children's playthings.

6. It has accordingly been decided that all products in
the range are not covered by Item 1, Second Schedule and are

taxable at the general rate of sales tax, currently 20%.

COMMISSIONER OF TAXATION

22 August 1984

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