ST 2169 - SALES TAX : HOSPITALS SPORTS MEDICINE CLINICS

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TAXATION RULING NO. ST 2169

SALES TAX : HOSPITALS
SPORTS MEDICINE CLINICS

F.O.I. EMBARGO: May be released

REF H.O. REF: 82/13475 DATE OF EFFECT:

B.O. REF: BRIS.COR 794/A/45 DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1124011	HOSPITALS SPORTS MEDICINE CLINICS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEMS 63A AND 81, FIRST SCHEDULE.

PREAMBLE Item 63A in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempts goods for use, and not for sale, by a university or school conducted by an organisation not carried on for the profit of an individual. Sub-item 81(1), First Schedule, provides a similar exemption for public hospitals, non-profit private hospitals and public benevolent institutions.

FACTS 2. This office has had occasion to consider a claim for exemption from sales tax by a sports medicine institute. The particular body was registered under a State Act as a company limited by guarantee and operates on a fee for service basis.

3. The objects for which the institute were established are:-

(a) to provide facilities and staff for treatment of patients with sporting injuries and illness;

(b) to undertake research into injury and illness relating to sport and physical activity;

(c) to provide a teaching facility for medical practitioners participating in post-graduate courses in sports medicine;

(d) to promote and foster and encourage the aims of organisations having similar objectives.

4. The institute receives grants from the relevant State Government. It is generally staffed by a full time physiotherapist with doctors and other physiotherapists providing additional services on an honorary basis.

RULING 5. The institute is not a school as that term is ordinarily understood. It does not qualify for exemption under item 63A.

6. Because its activities are not directed predominantly to the relief of poverty, misfortune, distress or helplessness, the institute does not qualify for exemption as a public benevolent

institution.

7. Reference to dictionaries indicates that a hospital is normally understood to be a place equipped and staffed for diagnosis and treatment where sick or injured persons receive medical care of such a nature that some patients are required to utilise a bed. It is a place in which patients are received for continuous treatment and excludes places to which patients merely resort for the purpose of occasional medical or surgical aid such as is normally obtained at the outpatients departments of hospitals. A hospital may be contrasted with a clinic or dispensary for ambulatory patients who return to their homes after each visit. For these reasons, the institute is not accepted as a hospital.

8. This Ruling should be applied to other sports medicine institutes or clinics which operate in a comparable manner. It does not apply to sports medicine clinics which are maintained and controlled by and are part of a public hospital. Clinics of this nature would partake of the exemption available to the public hospital.

COMMISSIONER OF TAXATION
29 August 1985

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