

ST 2201 - SALES TAX : FIRELIGHTERS



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TAXATION RULING NO. ST 2201

SALES TAX : FIRELIGHTERS

F.O.I. EMBARGO: May be released

REF H.O. REF: 85/9145-8 DATE OF EFFECT: 20 September 1985

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1205688	FIRELIGHTERS BRIQUETTES MATCHES	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 47, FIRST SCHEDULE AND ITEM 10, THIRD SCHEDULE.

OTHER RULINGS ON TOPIC: ST 2057

PREAMBLE Taxation Ruling No. ST 2057 deals with the sales tax classification of products which are commercially known as firelighters. Firelighters contain a high percentage of kerosene and are marketed for use in starting barbecues and other household fires. Briefly the ruling stated that firelighters which are produced in Australia by a briquetting process are accepted as briquettes and are exempt under sub-item 47(1), First Schedule. Firelighters in granulated form are not briquettes and consequently are not covered by sub-item 47(1), First Schedule, but are taxable at the general rate of 20%. Because the exemption for briquettes under sub-item 47(1), First Schedule is limited to goods produced in Australia, imported firelighters produced in a briquette or granular form are not exempt under that item but are taxable at the general rate. Some imported firelighters are produced in the form of a large match which is ignited by striking on the side of the box in which they are marketed. These kinds of firelighters are accepted as safety matches and are covered by item 10, Third Schedule.

2. Division VIII of the First Schedule, incorporating items 47-50, covers goods or classes of goods that are exempt when, broadly stated, they are for use as, or are by their nature, fuels. The Sales Tax (Exemptions and Classifications) Amendment Act, Act No. 145 of 1985, effective on and from 20 September 1985, has re-expressed sub-item 47(1), First Schedule, to make it clear that exemption will apply only to briquettes that consist wholly or principally of coal dust and designed for use as fuel. A new sub-item (2) in item 10 in the Third Schedule now covers firelighters, fire starters and similar goods, but not including goods covered by item 47 in the First Schedule.

RULING 3. From 20 September 1985:-

- (a) Briquettes manufactured in Australia consisting wholly or principally of coal dust and designed for use as fuel are exempt from sales tax under sub-item 47(1), First Schedule.

- (b) Firelighters, fire starters and similar goods, whether produced in Australia or imported into Australia, are covered by sub-item 10(2), Third Schedule and are taxable at the rate of 10%.

Taxation Ruling No ST 2057 is modified accordingly.
Firelighters, fire starters and similar goods sold prior to 20 September 1985 are taxable in accordance with Taxation Ruling ST 2057.

COMMISSIONER OF TAXATION
6 January 1986

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