


ST 2320 - SALES TAX : TENSIONET PALLET WRAP

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TAXATION RULING NO. ST 2320

SALES TAX : TENSIONET PALLET WRAP

F.O.I. EMBARGO: May be released

REF H.O. REF: 85/9128-8 DATE OF EFFECT: IMMEDIATE

B.O. REF: DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1210487	WRAPPING MATERIALS PACKAGING MATERIALS TENSIONET PALLET WRAP	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 96, FIRST SCHEDULE.

PREAMBLE Subject to the specific exclusion of goods marketed exclusively or principally for household purposes, paragraph 96(1)(a), First Schedule provides exemption for goods of a kind used to wrap up or secure goods for marketing or delivery, namely wrapping material or bags consisting of paper, netting, flexible film or metallic foil, or of any combination of those materials.

2. The question has been raised whether Tensionet wrap, a product designed for wrapping pallets of goods for delivery, qualifies for exemption under paragraph 96(1)(a).

FACTS 3. Tensionet is a trade name for a plastic netting with an integral joint structure for extra strength and durability. It is pre-stretched at the factory to prevent stretching after application. Tensionet wrap envelops the entire load to minimize pressure points that can damage crates, cartons, bags and produce.

RULING 4. Tensionet pallet wrap and other plastic nettings used for the same purposes are goods of a kind used to wrap up or secure goods for marketing or delivery, not being goods marketed exclusively or principally for household purposes. Such plastic nettings are unconditionally exempt from sales tax under paragraph 96(1)(a), First Schedule.

COMMISSIONER OF TAXATION
29 January 1987