

ST 2345 - SALES TAX FRUIT JUICE PRODUCTS USED AS FOOD FLAVOURING



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TAXATION RULING NO. ST 2345

SALES TAX FRUIT JUICE PRODUCTS USED AS FOOD FLAVOURING

F.O.I. EMBARGO: May be released

REF

N.O. REF: 87/2740-6

DATE OF EFFECT:

B.O. REF: ADEL 8 457 972

DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1211014	FRUIT JUICE FOOD FLAVOURING	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 23, FIRST SCHEDULE, ITEM 5, THIRD SCHEDULE

PREAMBLE Item 23 in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempts goods put up for sale as ingredients of food for human consumption or as goods to be mixed with or added to food for human consumption, including condiments, spices and flavourings.

2. Item 5(2)(b) in the Third Schedule which became effective on 20 August 1986 taxes at 10% certain fruit juice products including preparations for use in the flavouring of foods, being preparations which consist of not less than 25% by volume of -

- (i) Juices of Australian fruits;
- (ii) a mixture of concentrates of juices of Australian fruits and water, being a mixture of a strength not less than the natural strength of the juices; or
- (iii) juices of Australian fruits and a mixture of concentrates of juices of Australian fruits and waters, being a mixture of a strength not less than the natural strength of the juices.

3. Prior to 20 August 1986 fruit juice products that contained not less than 25% by volume of Australian fruit juice consumption qualified for exemption under item 23, First Schedule. They also qualified for exemption under item 36(3)(b) until that item was repealed on 20 August 1986 and item 5, which is expressed in the same terms, was inserted in the Third Schedule.

RULING

4. Item 5 reflects the decision of the Government that, from 20 August 1986, the fruit juice products to which the item refers shall bear sales tax at the rate of 10%. This means that, notwithstanding that a particular fruit juice product might otherwise fall within the terms of the general exemption granted by item 23, to the extent that it also falls within the terms of item 5(2)(b) it is taxable at the rate of 10%. In other words the general provision must give way to the specific provisions dealing with fruit juice products.

COMMISSIONER OF TAXATION
25 JUNE 1987