


ST 2379 - SALES TAX: CRYSTALLISED, DRAINED, GLACE AND PRESERVED GINGER

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TAXATION RULING NO. ST 2379

SALES TAX: CRYSTALLISED, DRAINED, GLACE AND PRESERVED GINGER

F.O.I. EMBARGO: May be released

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REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1010245	CRYSTALLISED DRAINED GLACE, AND PRESERVED GINGER	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 23 FIRST SCHEDULE ITEM 4 THIRD SCHEDULE

PREAMBLE

Item 23 in the First Schedule to the Sales Tax (Exemption and Classifications) Act exempts goods of a kind sold exclusively or principally, or put up for sale as food for human consumption, or as ingredients of food for human consumption including condiments, spices and flavouring, but not including goods covered by paragraphs (c) to (o), in particular paragraph (d) which covers confectionery or goods of a kind marketed exclusively or principally as ingredients of confectionery.

2. The term "confectionery" as defined in sub-clause 1(1) of the First Schedule includes, among other things, crystallised ginger or preserved ginger.

3. Item 4 in the Third Schedule covers goods that would be covered by item 23 in the First Schedule but for the operation of paragraph (d) of that item. In other words, goods excluded from item 23 by paragraph (d) are taxable under item 4, Third Schedule.

4. The question has been raised whether ginger products marketed as flavouring and ingredients for food qualify for exemption or are taxable.

FACTS

5. Regardless of how ginger is marketed the same process is used to make glace, crystallised, cooking or preserved ginger.

6. The ginger is cut into pieces, brined and then preserved in a sugar syrup. The syrup impregnation process is undertaken until such time as the ginger pieces achieve approximately 75% sugar content.

7. Preserved cooking ginger undergoes a further process of being diced into finer pieces.

8. Ginger in its various forms may be used as a food ingredient in the manufacture of chocolates, chutney and bakery products (e.g., spicy fruit loaf). It is also sold in its various forms to consumers through supermarkets and other retail outlets. The most popular form of ginger sold to consumers is

crystallised ginger.

RULING

9. Ginger products which have been subjected to the processes described in paragraphs 6 and 7 are items of confectionery, irrespective of the names under which they are marketed and regardless of whether they are put up for sale as food or ingredients of food for human consumption.

10. The ginger products, being confectionery, are excluded from exemption under item 23, First Schedule. They are covered by item 4 in the Third Schedule and are taxable at 10%.

COMMISSIONER OF TAXATION
17 December 1987