


ST 2434 - SALES TAX: MOUSSE

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TAXATION RULING NO. ST 2434

SALES TAX: MOUSSE

F.O.I. EMBARGO: May be released

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F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1103573	ICE CREAM MOUSSE	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 23, FIRST SCHEDULE; ITEM 4, THIRD SCHEDULE

PREAMBLE This Ruling considers the sales tax classification of a pre-packaged mousse dessert and dry mousse mixes.

2. Item 23 in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempts from sales tax -

"Goods -

(a) of a kind sold exclusively or principally; or

(b) put up for sale,

as food for human consumption (whether or not requiring processing or treatment) or 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, but not including -

.....

(h) goods, being ice-cream, ice-cream cakes, ice-creams, ice-cream substitutes, frozen confectionery (other than frozen yoghurt), flavoured ice blocks (whether or not marketed in a frozen state) or similar goods, other than any such goods manufactured in premises or vehicles in which the business of manufacturing goods of that kind is carried on exclusively or principally for the purpose of sale by retail directly from those premises or vehicles;

(j) mixes marketed exclusively or principally for use (other than household use) in the manufacture of ice-cream, ice-cream cakes, ice-creams, ice-cream substitutes, frozen confectionery (other than frozen yoghurt), flavoured ice-blocks or similar goods;

... "

3. Item 4, Third Schedule, taxes at the rate of 10% goods that are covered by paragraphs (h) and (j) of item 23, First Schedule. This means that goods similar to ice-cream and mixes

marketed for use in the manufacture of goods similar to ice-cream are taxable at 10%.

FACTS

4. Mousse is defined as any of various preparations of whipped cream, beaten eggs, gelatine, etc, with something added to give a sweet, (e.g. chocolate) or savoury, (e.g. fish) taste. It ordinarily has a firm consistency but is not served in a frozen or near frozen state similar to ice-cream and ice-cream substitutes.

5. Mousse desserts are made using individual ingredients or specially prepared powdered mixes. There is also available a ready prepared mousse product marketed to restaurants, clubs etc, that requires no further preparation. The product consists of a chocolate shell into which has been poured a mousse mixture. For ease of delivery to restaurants and other eating establishments the product is frozen by the manufacturer. The product is thawed completely by the restaurant and other eating establishments before serving at room temperature.

6. Because mousse is delivered to restaurants and other eating establishments in a frozen state the suggestion has been made that it is excluded from exemption as goods similar to ice-cream. If that be the case, powdered mixes would fall into the category of mixes marketed for use in the manufacture of goods similar to ice-cream.

RULING

7. While ready prepared mousse may be delivered to restaurants and other eating establishments in a frozen state it is not served in that manner and is not considered to be goods similar to ice cream. That being the case, powdered mousse mixes are not marketed for use in the manufacture of goods similar to ice-cream.

8. Ready prepared mousse desserts, including those frozen for delivery purposes but which are completely thawed before serving, and dry mousse mixes, are exempt from sales tax under item 23, First Schedule.

COMMISSIONER OF TAXATION
21 July 1988