

ST 2109 - SALES TAX: THEATRE SCREEN AND TELEVISION SLIDES



This cover sheet is provided for information only. It does not form part of *ST 2109 - SALES TAX: THEATRE SCREEN AND TELEVISION SLIDES*

This document has been Withdrawn.

There is a [Withdrawal notice](#) for this document.

TAXATION RULING NO. ST 2109

SALES TAX: THEATRE SCREEN AND TELEVISION SLIDES

F.O.I. EMBARGO: May be released

REF H.O. REF: 82/5247-5 DATE OF EFFECT: Immediate
B.O. REF: Melb 6/SA/SC24/86 DATE ORIG. MEMO ISSUED:
6 December 1984

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1122151	THEATRE SCREEN SLIDES TELEVISION SLIDES	SALES TAX ASSESSMENT ACT (NO. 1) SUB-SECTIONS 18(1) AND 18(3)

FACTS Theatre screen slides are produced by two methods:

- (a) Colour artwork is exposed on to colour reversal film which is sent to outside photographic laboratories for processing into transparencies and duplicate transparencies. The transparencies and duplicate transparencies obtained from the processing laboratories are placed between two protective pieces of glass by the person who exposed the film prior to use or sale; or
- (b) Artwork is exposed on to black and white negative film and a photographic print is produced on sensitized glass. The glass print is then coloured by hand to the final presentation stage and a protective layer of glass is placed over the original glass print.

In both these situations, the artwork may be produced either by the person producing the slides or by some other person.

RULING 2. In the case of colour transparency slides - see facts (a), the sales tax liability would be satisfied in most cases by the payment of tax on raw film stock and cameras purchased by the person or firm exposing the film and to the processing laboratory on the duplicate transparencies produced by it. This is because the placing of the transparencies between two protective pieces of glass by the person who exposed the film does not involve manufacture. Where the slides are acquired from the processing laboratory for resale, however, the person or firm exposing the film shall be the deemed manufacturer of the slides for sales tax purposes. In facts (b), the producer of the sensitized glass slides is the manufacturer for sales tax purposes.

3. In both facts (a) and (b), where the artwork is supplied separately it does not qualify for exemption as an aid to manufacture and tax is payable on the sale value of the artwork, if the producer of the artwork is registered or, if unregistered, tax is payable on the taxable materials used in

the artwork. A similar liability exists where the artwork is produced and used by the person exposing the film in facts (a) because the artwork does not qualify for exemption as an aid to manufacture unless the person is the deemed manufacturer of the slides. After the artwork is produced, all the person does in facts (a) is to photograph the artwork and the photographing of goods by exposing film in a camera does not involve the manufacture of goods. Where the artwork is produced and used by the slide manufacturer in facts (b) or in facts (a) where the slides are acquired for resale it qualifies for exemption as an aid to manufacture and does not therefore, of itself, attract tax. However the artwork is a cost in producing the end product and the sale value should therefore reflect this cost.

4. As a general rule the sale value for the purposes of sub-paragraph 18(1)(b)(ii) and 18(3)(b) of Sales Tax Assessment Act (No. 1) for theatre screen slides will be manufactured cost, including overheads and artwork (where applicable), plus 20%. Where a liability exists separately for artwork, a sale value of manufactured cost, including overheads, plus 20% is appropriate.

Television Slides

5. A similar sale value is also to be applied to television slides. Where the television station is the manufacturer or deemed manufacturer of the slides, a sale value of manufactured cost, including artwork (where applicable) and overheads, plus 20% is acceptable for the purposes of sub-paragraph 18(1)(b)(ii) and 18(3)(b). However, where these slides are sold and the retail selling price is less than the sale value calculated on the above basis, a sale value of retail selling price treated as tax inclusive will be acceptable.

COMMISSIONER OF TAXATION
17 January 1985

<