


ST 2151 - SALES TAX - VIDEO PROJECTION EQUIPMENT AND VIDEO PROGRAMMES SUPPLIED TO PUBLIC HOSPITALS

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TAXATION RULING NO. ST 2151

SALES TAX - VIDEO PROJECTION EQUIPMENT AND VIDEO
PROGRAMMES SUPPLIED TO PUBLIC HOSPITALS

F.O.I. EMBARGO: May be released

REF	H.O. REF: 82/5414-1	DATE OF EFFECT:
	B.O. REF: (SYD) 22/B/D 16/17	DATE ORIG. MEMO ISSUED:
F.O.I. INDEX DETAIL		
REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1193360	GOODS FOR USE	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 81, FIRST SCHEDULE

PREAMBLE The question has been raised whether video projection equipment and video programmes supplied to hospitals, for the use by the hospitals in educating new or expectant mothers in baby care, are exempt from sales tax.

FACTS 2. Under a loan agreement between the supplier and a hospital, the video projection equipment is supplied and maintained free of charge and no charge is made for the programmes. The films are shown to new or expectant mothers and cover topics such as breast feeding, changing and bathing, weaning and bottle feeding. The cost of the films is borne by sponsors whose advertisements are incorporated into the films.

3. The hospital is required to maintain a register of films shown and the number of mothers in attendance. The company retains the right to withdraw the equipment if the hospital does not make regular showings of the films.

4. The equipment is used by the hospital in carrying out a function of the hospital i.e. educating new mothers. It also remains in the custody of the hospital and is not used for other purposes.

RULING 5. In the light of the judgment handed down by the High Court in Deputy Federal Commissioner of Taxation v Stewart & Anor 84 ATC 4146; 15 ATR 387 it is accepted that the goods supplied under the loan agreement to the hospitals are goods for use by those hospitals notwithstanding that they are also used concurrently by the supplier in its business as promoter, as well as by sponsors who advertise their baby care products through the medium offered.

6. The video projection equipment and the programmes supplied to public hospitals for their use qualify for exemption from sales tax under sub-item 81(1) in the First Schedule to the Sales Tax (Exemptions and Classifications) Act.

COMMISSIONER OF TAXATION

24 JULY 1985

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