


ST 2157 - SALES TAX : HERBAL TEA AND TEA ALTERNATIVES - ROOIBOS TEA AND ROOITEA.

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TAXATION RULING NO. ST 2157

SALES TAX : HERBAL TEA AND TEA ALTERNATIVES - ROOIBOS
TEA AND ROOITEA.

F.O.I. EMBARGO: May be released

REF

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HERBAL TEA AND TEA
ALTERNATIVES -
ROOIBOS TEA AND
ROOITEA.

SALES TAX (EXEMPTIONS
AND CLASSIFICATIONS)
ACT, ITEM 35A, FIRST
SCHEDULE.

PREAMBLE

Sub-item 35A(1) in the First Schedule to the Sales Tax
(Exemptions and Classifications) Act exempts -

"Tea and preparations that are marketed exclusively, or
primarily and principally, as tea preparations, being
preparations for potable use the ingredients of which
consist principally of tea or principally of -

- (a) tea; and
- (b) milk, milk powder ...".

FACTS

2. Among the various kinds of herbal teas or tea
alternatives on the market is a product known commercially as
rooibos tea, redbush tea, rooitea or red tea, which is made from
the rooibos tea plant (*Aspalathus Linearis*), also known as bush
tea. It is available in both tea bags and loose leaf form.
Like herbal teas it is marketed as an alternative tea beverage
to "Black Tea" (*Camellia sinensis* or *Thea sinensis*). Emphasis
is placed on the fact that it is more beneficial than black tea
because it contains no caffeine and has a low tannin content.

RULING

3. Because the term "tea" is not defined in the sales tax
legislation, the word in its context in sub-item 35A(1) is given
the meaning that is ordinarily applied to it when used on its
own without any qualifications, i.e. the leaf of, and potable
infusions made from the leaves of, the plant *Camellia sinensis*
(or *Thea sinensis*).

4. Herbal teas or tea alternatives such as rooibos tea and
rooitea are not accepted as tea or preparations consisting
principally of tea for the purposes of sub-item 35A(1). They
are taxable at the general rate of 20%.

COMMISSIONER OF TAXATION

7 August 1985

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