


# ***ST 2229 - SALES TAX : NAIL POLISHES AND LACQUERS***

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This document has been Withdrawn.

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TAXATION RULING NO. ST 2229

SALES TAX : NAIL POLISHES AND LACQUERS

F.O.I. EMBARGO: May be released

REF H.O. REF: 85/9283-7 DATE OF EFFECT: Immediate

B.O. REF: SYDNEY DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

| REFERENCE NO: | SUBJECT REFS:                  | LEGISLAT. REFS:   |
|---------------|--------------------------------|---|
| I 1077833     | NAIL POLISHES<br>NAIL LACQUERS | SALES TAX (EXEMPTIONS<br>AND CLASSIFICATIONS)<br>ACT; ITEM 21, SECOND<br>SCHEDULE |

FACTS Item 21 in the Second Schedule to the Sales Tax (Exemptions and Classifications) Act taxes at the rate of 30%, nail polishes, nail lacquers, lacquer or polish removers, hand creams, hand lotions and similar preparations. The classification of two products has been considered in relation to Item 21.

2. "Hard as Nails" is a product which is said to provide a hard chip resistant surface that helps strengthen nails, smooths and fills in ridges. It is claimed that the product firms and seals nails at the edges for added protection against splitting, chipping and cracking. It helps nails grow out long and naturally beautiful. It is available in a range of colours and after application it dries to a gloss finish.

3. "Professional Ceramic Glaze" is a product which may be used as a protective base coat, a top coat or a clear finish. It claims to strengthen and protect nails and help prevent chipping and splitting. It too, dries out to a gloss finish.

4. Both products are applied to nails in the same way as a nail polish or lacquers, i.e., the nails are completely covered.

RULING 5. The method of applying the two products which results in a hard chip resistant surface on the nails like a nail lacquer gives them a cosmetic character. This is further supported by the fact that "Hard as Nails" is available in a range of fashion colours and both products provide a lustrous top coat.

6. "Hard as Nails" and "Professional Ceramic Glaze" are considered to be nail polishes or nail lacquers or similar preparations to nail polishes or nail lacquers and are covered by item 21, Second Schedule and taxable at the rate of 30%.

7. The ruling at page 580 of Sales Tax Exemptions and Classifications, that "Hard as Nails" is not covered by item 21 is withdrawn.

COMMISSIONER OF TAXATION  
10 April 1986

