


ST 2250 - SALES TAX : SUNSCREEN PREPARATIONS

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TAXATION RULING NO. ST 2250

SALES TAX : SUNSCREEN PREPARATIONS

F.O.I. EMBARGO: May be released

REF H.O. REF: 85/5798-5 DATE OF EFFECT: Immediate

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

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1137355	SUNSCREEN PREPARATIONS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 38A, FIRST SCHEDULE

OTHER RULINGS ON TOPIC ST 2041, ST 2048, ST 2078

PREAMBLE Item 38A in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempts the following sunscreen preparations from sales tax:-

Preparations -

- (a) that are put up and sold for use as substances to be applied to the skin for the purpose of screening out solar ultra-violet rays, but not including -
 - (i) goods of the following kinds, namely, face creams, face oils, face lotions, body creams, body oils, body lotions, rouge, lip-sticks, eye-brow pencils and eye shadows, being goods that are cosmetics, cosmetic preparations or goods in the nature of cosmetic preparations; and
 - (ii) other goods that are cosmetics, cosmetic preparations or goods in the nature of cosmetic preparations; and
- (b) in respect of which there is in force a certificate given for the purposes of this item by the Secretary to the Department of Health, or by an officer appointed by him for the purpose, that certifies that the preparations are preparations that provide an acceptable level of protection from solar ultra-violet rays.

2. The main purpose of this ruling is to provide details of changes in the requirements of the Department of Health in relation to certification for the purposes of paragraph (b) of item 38A.

3. Since 1 September 1984 the minimum acceptable standard for sunscreens for the purposes of the certificate provided by the Department of Health has been a protection factor of not less than 4 where the product is measured in accordance with Australian Standard AS 2604 - 1983 (in vivo test). The

protection factor of a sunscreen product is determined by a comparison of a protected area and an adjacent unprotected area of skin under specified conditions set out in AS 2604 - 1983. The higher the protection factor the greater the degree of screening of ultra-violet rays, with the highest protection factor being 15 Plus (15+).

4. Acceptance of products for sales tax exemption purposes where the product was tested in accordance with the former in vitro tests (tests based on percent effective transmission of ultra-violet rays) ceased on 1 March 1985 and certificates issued on the basis of in vitro tests between 1 September 1984 and 1 March 1985 were valid for a period of not more than 12 months.

5. From 1 March 1986 certificates for all products previously accepted on the basis of in vitro tests ceased to be valid, as did certificates for any products with protection factors of less than 4.

6. Where a certificate ceased to be valid the marketer is required to re-apply to the Australian Taxation Office for sales tax exemption to continue. Evidence will be required that the product has a protection factor of not less than 4 when tested in accordance with AS 2604 - 1983. In vivo tests carried out in accordance with procedures other than AS 2604 - 1983 may be accepted by the Department of Health provided that the marketer provides a copy of expert opinion that the test results are equivalent to a protection factor value of at least 4 measured in accordance with AS 2604 - 1983.

7. It is understood that AS 2604 - 1983 will be amended to include reference to Broad Spectrum products and Water Resistance. The revised Australian Standard will be published during 1986 and applicants will be required to meet the new standard.

8. Applications to the Australian Taxation Office for exemption for new products and for products where certificates have ceased to be valid should include the following:-

- . technical information as per the "Commercial-in-Confidence" questionnaire, obtainable from the Australian Taxation Office;
- . a copy of the test results;
- . a statutory declaration by the applicant that the product has been tested in accordance with Australian Standard AS 2604 - 1983 (Sunscreens), or a certified equivalent procedure, with a resulting protection factor equivalent to at least 4 under AS 2604 - 1983. Note : Where the product is imported the statutory declaration must be completed by the local distributor, etc. not the overseas manufacturer.

COMMISSIONER OF TAXATION
30 May 1986

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