


ST 2288 - SALES TAX : DREAMTIME PILLOW SOUND

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TAXATION RULING NO. ST 2288

SALES TAX : DREAMTIME PILLOW SOUND

F.O.I. EMBARGO: May be released

REF H.O. REF: 86/8657-2 DATE OF EFFECT: Immediate

B.O. REF: Bris. K356 DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1177059	BABY GOODS CASSETTE TAPES DREAMTIME PILLOW SOUND	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 124, FIRST SCHEDULE

PREAMBLE Sub-item 124(5) in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempts from sales tax parts for, and goods designed for use with, various baby and infant products.

FACTS 2. The Dreamtime Pillow Sound product is designed for use as a natural, calming pacifier for babies while they sleep. The product consists of a pad incorporating a small speaker with a cable that connects to the earphone outlet of a cassette player and a tape for use with the player containing pre-recorded actual womb sounds as heard by the baby before birth.

3. The sound pad is placed under the baby's mattress directly beneath the baby's head and connected to the cassette player. The pre-recorded tape is inserted into the player and when played the actual womb sounds are intended to relax the baby by offering the security of the womb.

RULING 4. The sound pad component of the Dreamtime Pillow Sound product qualifies for exemption under sub-item 124(5) as it is designed for use with bassinets, cradles, sleeping baskets and cots.

5. Cassette tapes are designed for use with cassette players and in fact can be used only with such equipment. Although the recorded material on the tape is suitable for use only for babies and has been recorded for that purpose the fact remains that cassette tapes are goods designed for use with cassette players and not bassinets, cradles, cots and other similar baby equipment. The cassette tapes do not qualify for exemption under sub-item 124(5) but are taxable at the general rate of 20%.

COMMISSIONER OF TAXATION
13 October 1986