

ST 2359 - SALES TAX : BRISTAR - A NON-EXPLOSIVE DEMOLITION AGENT

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TAXATION RULING NO. ST 2359

SALES TAX : BRISTAR - A NON-EXPLOSIVE DEMOLITION AGENT

F.O.I. EMBARGO: May be released

REF N.O. REF: 87 7067-1 DATE OF EFFECT: Immediate

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

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1211219	EXPLOSIVES	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 125, FIRST SCHEDULE.

PREAMBLE Item 125 in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempts explosives from sales tax.

2. The question has been raised as to whether 'Bristar', a demolition material, is an explosive and therefore exempt under item 125.

FACTS 3. 'Bristar' is a non-explosive demolition agent which is mixed with water and poured into cylindrical holes drilled in rock or concrete. The chemical base in the product causes it to harden and expand and this process silently generates cracks in the concrete or rock which enables it to be easily broken-up.

RULING 4. An explosive must have three basic characteristics:-

- (1) it is a chemical compound; a mixture ignited by heat, shock, impact, friction or a combination of these conditions;
- (2) upon ignition it decomposes very rapidly in detonation; and
- (3) upon detonation there is a rapid release of heat and large quantities of high pressure gasses, which expand rapidly into sufficient force to overcome confining sources.

5. 'Bristar' is specifically described as a 'non-explosive' agent. It is not detonated to expand and does not cause rapid changes in pressure. It is designed to slowly generate cracks in the substance to be demolished or broken-up by a slow increase in pressure brought about by its expansion.

6. 'Bristar' is not an explosive and is taxable at the general rate of 20%.

COMMISSIONER OF TAXATION
1 October 1987