Date Introduced: 24 May 1979
House: House of Representatives
Presented by: Hon. M. MacKellar, Minister Assisting the Treasurer

Purpose

To amend the Sales Tax (Exemptions and Classifications) Act 1935 to ensure that sales tax at the rate of 27 1/2 per cent is payable on such items as television sets, radios and sound equipment, records, tapes, and parts and accessories for this kind of equipment from 25 May 1979.

Background

Technological changes and new terminology have created doubts about the application of the 27 1/2 per cent rate for certain television, radio and sound appliances or components used in combination or association to provide television or radio reception or sound reproduction.

Provisions

Clause 3 taken together with the proposed new item 49 of the Second Schedule provides that units containing television, radio or sound equipment but with other functional uses (eg. cocktail cabinet) will be taxed at 27 1/2 per cent if the value of television, radio or sound equipment exceeds 50 per cent of the total value.

In the Second Schedule of the Act, which specifies the items to which sales tax applies at the rate of 27 1/2 per cent, items 46, 47, 48, 49 and 52 are to be replaced with new items 43, 44, 45, 46, 47, 48, 49, 50 (clause 4). Details of the items omitted are set out in the Explanatory Memorandum to the Bill.

Item 43 will cover musical boxes.

Item 44 will cover appliances mainly used for sound recording and reproduction as specified.

Item 45 will cover radio and television receivers including clock radios mainly used for broadcast programs.
Item 46 will cover specified records and recordings and associated storage equipment.

Item 47 will cover appliances used mainly for 2 or more of the sound reproduction, radio and television appliances referred to in items 44 and 45, eg. radiograms and radio cassette players.

Item 48 will cover appliances and equipment that used together provide the facilities of appliances covered in items 44, 45 and 47.

Item 49 will cover combination units which include sound reproduction and/or television or radio reception equipment and serve other functions.

Item 50 will cover accessories and parts for equipment covered in items 44, 45, 46, 47, 48 and 49, but excludes batteries, cathode ray tubes, recording tapes or recording wires.

Finance, Industries, Trade & Development Group
LEGISLATIVE RESEARCH SERVICE

28 May 1979