

1990

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

SALES TAX LAWS AMENDMENT BILL (No. 2) 1990

SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) AMENDMENT BILL 1990

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Treasurer,
the Hon. P.J. Keating, M.P.)



GENERAL OUTLINE

Sales Tax Laws Amendment Bill (No. 2) 1990

Sales Tax (Exemptions and Classifications) Amendment Bill 1990

These Bills will amend the Sales Tax Acts (Nos. 1-9) 1930, the Sales Tax Assessment Acts (Nos. 1-3, 6 & 7) 1930 and the Sales Tax (Exemptions and Classifications) Act 1935:

- . to reduce the rate of sales tax applicable to lower priced luxury motor vehicles by applying a progressively increasing rate commencing at 30% for vehicles with a wholesale sale value of \$30,234 up to 49% for vehicles with a wholesale sale value of \$54,418; and
- . to impose sales tax on otherwise taxable printed matter that is exempt when inserted into an exempt publication, such as a newspaper or magazine, for delivery to the final consumer.

FINANCIAL IMPACT

The cost to revenue of phasing in the rate of tax applicable to luxury motor vehicles is estimated to be \$8m in 1990-91 and \$10m in a full year.

The imposition of sales tax on printed matter inserts delivered in exempt publications is expected to result in additional revenue of \$20m in 1990-91, \$25m in 1991-92 and \$27m in 1992-93.

MAIN FEATURES

Motor Vehicles

(Sales Tax Laws Amendment Bill (No. 2) 1990; clause 3 and Schedule 1)

Motor vehicles (including cars and station wagons that are four wheel drive vehicles) with a wholesale selling price in excess of \$30,233 are currently subject to sales tax at the rate of 50%. Vehicles with a wholesale selling price equal to or less than \$30,233 are subject to the general sales tax rate of 20%. \$30,233 is the wholesale price equivalent of a retail price of \$45,056 which is the upper depreciation limit for motor vehicles for income tax purposes (refer section 57AF of the Income Tax Assessment Act 1936). The wholesale price limit is altered each 1 July in accordance with indexation changes in the income tax depreciation limit.

Schedule 1 of the Sales Tax Laws Amendment Bill (No. 2) 1990 will amend the Sales Tax Acts (Nos. 1-9) 1930, with effect from 7.30pm, 21 August 1990, to reduce the rate of tax applicable to lower priced luxury motor vehicles. Vehicles with a wholesale sale price in excess of \$30,233 but less than \$54,419 will be subject to a progressively increasing rate of tax commencing at 30% for vehicles priced at \$30,234 and

increasing up to a maximum of 50% for vehicles with a wholesale price equal to or greater than \$54,419. This will mean that higher priced luxury vehicles, i.e., those with a wholesale sale price in excess of \$54,418, will remain subject to the existing 50% rate of tax.

Printed Matter

(Sales Tax Laws Amendment Bill (No. 2) 1990; clause 4 and Schedule 2, Sales Tax (Exemptions and Classifications) Amendment Bill 1990)

Newspapers, periodicals, magazines, books and other printed matter that contain news, current affairs or are of educational or cultural significance are exempt from wholesale sales tax. By contrast, commercial printing requisites such as stationery, price lists, advertising and other printed matter associated with the promotion of commerce are taxed at the general sales tax rate of 20%, and maps are taxed at the concessional rate of 10%. Prior to a decision of the Supreme Court of New South Wales in 1988, taxable printed matter that was inserted into an exempt publication was treated as goods separate from the exempt publication and subject to tax. However, in 1988 the Court was persuaded that otherwise taxable printed matter is exempt from sales tax when it is inserted into a newspaper for delivery to the final consumer because it forms part of the newspaper which is exempt from tax.

The Sales Tax (Exemptions and Classifications) Amendment Bill 1990 and Schedule 2 of the Sales Tax Laws Amendment Bill (No. 2) 1990 will amend the Sales Tax Assessment Acts (Nos. 1-3, 6 & 7) 1930 and the Sales Tax (Exemptions and Classifications) Act 1935 (the Exemptions and Classifications Act) to ensure that printed matter that is inserted into an exempt publication is only exempt if it is specifically covered by an exemption item in the First Schedule to the Exemptions and Classifications Act.

This amendment will apply to transactions, acts or operations effected or done on or after 7.30pm, 21 August 1990.

More detailed explanations of the clauses of the Bill are contained in the notes that follow.

SALES TAX LAWS AMENDMENT BILL (No. 2) 1990

Clause 1 : Short title

Clause 1 provides for the amending Act to be cited as the Sales Tax Laws Amendment Act (No. 2) 1990.

Clause 2 : Commencement

This Bill is, by this clause, to commence at 7.30pm, by standard time in the Australian Capital Territory, on 21 August 1990. But for this clause the Bill would - by reason of subsection 5(1A) of the Acts Interpretation Act 1901 - come into operation on the twenty-eighth day after the date of Royal Assent.

Clause 3 : Amendments relating to motor vehicles

By clause 3 the Sales Tax Acts (Nos. 1-9) 1930 are amended as set out in Schedule 1. The amendments made to each of the Sales Tax Acts (Nos. 1-9) by Schedule 1 reduce the rate of tax in respect of goods covered by the Sixth Schedule of the Sales Tax (Exemptions and Classifications) Act 1935 (the Exemptions and Classification Act), i.e., luxury vehicles, if the wholesale sale value of the vehicle (for sales tax purposes) is in excess of \$30,233 and less than \$54,419 (refer to later notes on Schedule 1 which explain these amendments).

Clause 4 : Amendments relating to printed matter inserts

By clause 4 the Acts specified in Schedule 2 to this Bill are amended as set out in that Schedule (refer to later notes on Schedule 2 which explain the amendments). Briefly, the Schedule amends Sales Tax Assessment Acts (Nos. 1-3, 6 & 7) 1930:

- . so that, for sales tax purposes, printed matter that is inserted into an exempt publication is treated as goods separate from the exempt publication; and
- . to ensure that tax is calculated on a sale value equal to the sale value specified under the existing sales tax law for goods applied to own use by a taxpayer at the time of the final wholesale sale or deemed sale of the insert.

Clause 5 : Application of Amendments

The amendments made by this Bill will apply to sales (and other taxable transactions, acts and operations) occurring after the commencement of this Act, i.e., on or after 7.30pm, by standard time in the Australian Capital Territory, on 21 August 1990.

SCHEDULE 1AMENDMENTS RELATING TO MOTOR VEHICLES

This Schedule amends section 4 of each of the Sales Tax Acts (Nos. 1-9) 1930. Section 4 specifies the rates at which tax is imposed on the sale value of goods. Paragraph (ca) of that section specifies a rate of tax of 50% in respect of goods covered by the Sixth Schedule to the Sales Tax (Exemptions and Classifications) Act 1935 (the Exemptions and Classifications Act). Goods covered by the Sixth Schedule are luxury motor vehicles, i.e., motor vehicles that have a wholesale sale value in excess of \$30,233.

(Vehicles that have a sale value of \$30,233 - the threshold amount - or less are not covered by the Sixth Schedule to the Exemptions and Classifications Act and are subject to the 20% rate of tax.)

The Schedule will replace existing paragraph (ca) with a new paragraph (ca). The new paragraph imposes tax at the lesser of two rates:

- (i) 50%;
- (ii) the percentage rate as calculated under section 5 of the relevant Sales Tax Act (refer to later notes in this Schedule on section 5).

The effect of the paragraph is to impose tax at the rate that is most beneficial to the taxpayer.

New section 5 provides for a progressively increasing rate of tax commencing at 30% which was the rate of tax which applied to 'luxury' motor vehicles before the 50% rate was introduced, i.e., before 9 May 1990. The percentage rate is calculated using the following formula, rounded down to the nearest whole percent:

$$\frac{(\text{0.3} \times \text{Threshold amount}) + \text{0.75} (\text{Sale value} - \text{Threshold amount})}{\text{Sale value}} \times 100$$

Under this formula tax is calculated at the rate of 30% on that part of the wholesale sale value of the vehicle equal to the threshold amount, which in 1990-91 is \$30,233, and 75% on the value of the vehicle in excess of the threshold amount. New paragraph 4(ca) and the formula together have the effect of phasing in the 50% rate of tax applicable to luxury vehicles starting with a rate of 30% on motor vehicles with a wholesale sale value of \$30,234 and progressively increasing to 50% in respect of vehicles with a wholesale sale value in excess of

\$54,418.

The terms used in the formula, i.e., "Threshold amount" and "Sale value", are defined in section 5 as follows:

Threshold amount is the amount calculated in accordance with the formula in sub-item 1(2) of the Sixth Schedule to the Exemptions and Classifications Act which is \$30,233 in the case of taxable dealings that occur during the period 1 July 1990 and 30 June 1991, inclusive. This amount is the wholesale price equivalent of the present motor vehicle depreciation limit determined under section 57AF of the Income Tax Assessment Act 1936. The amount of the threshold will change on 1 July in each subsequent 12 month period in line with the indexation movements as determined under that section.

Sale value is the wholesale sale value of the goods for the purposes of, and as specified in, the Sales Tax Assessment Acts.

SCHEDULE 2AMENDMENTS RELATING TO PRINTED MATTER INSERTS

Schedule 2 of the Bill amends Sales Tax Assessment Acts (Nos. 1-3, 6 & 7) 1930. The purpose of these amendments and another to be made to the Sales Tax (Exemptions and Classifications) Act 1935 (the Exemptions and Classifications Act) by the Sales Tax (Exemptions and Classifications) Amendment Bill 1990, is to ensure that printed matter is not exempt from sales tax simply because it is inserted into an exempt publication for delivery to the final consumer.

Schedule 2 adds a deeming provision to Sales Tax Assessment Act (No. 1) 1930 (Assessment Act (No. 1)) which will have the effect of deeming printed matter inserted into an exempt publication to be goods separate from the exempt publication for the purposes of the provisions of the sales tax law.

The sale value provisions of Assessment Acts (Nos. 1-3, 6 & 7) are also amended by this Schedule to ensure that tax is payable on printed matter inserts at an appropriate value, i.e., a value equal to the sale value that would apply if the taxpayer had applied the goods to own use at the time of the final wholesale sale or deemed sale of the insert.

Sales Tax Assessment Act (No 1) 1930Section 3

Promotional material such as glossy flyers and advertising brochures and catalogues are subject to tax at the general rate of 20%. However, it has been held that where such material is inserted into a newspaper for delivery to the final consumer, it forms part of the newspaper which is exempt from sales tax.

Schedule 2 will amend section 3 of Assessment Act (No. 1) by adding new subsection (15). The purpose of subsection (15) is to deem printed matter inserts, such as glossy flyers, advertising brochures, sale catalogues, scratch lotto and bingo tickets, application forms, prospectuses or promotional material, contained in exempt publications (such as a newspaper) to be goods separate from the exempt publications. By deeming an insert to be separate goods the insert will only be exempt from tax if it is covered by a sales tax exemption item in the First Schedule to the Exemptions and Classifications Act.

By the operation of section 12 of Sales Tax Assessment Acts (Nos. 2 - 9) 1930 and Sales Tax Assessment Act (No. 10) 1985 and section 16 of Sales Tax Assessment Act (No. 11) 1985 (collectively referred to as Assessment Acts (Nos. 2 - 11)) certain provisions, including new subsection 3(15), of Assessment Act (No. 1) apply to Assessment Acts (Nos. 2 - 11) in like manner as they apply to Assessment Act (No. 1). This will mean that subsection 3(15) of Assessment Act (No. 1) will apply to sales of inserts that fall to be taxed under any other

Sales Tax Assessment Act.

By paragraph (a), new subsection (15) applies to goods covered by item 51 or 54 of the First Schedule to the Exemptions and Classifications Act (referred to in the subsection as item 51/54 goods). Items 51 and 54 exempt from sales tax books, magazines, leaflets, pamphlets, periodicals, printed music and newspapers. A wide variety of printed matter used by business and for other purposes is excluded from exemption and subject to tax at the general rate of 20% (except for maps covered by item 3 of the Third Schedule to the Exemptions and Classifications Act which are taxed at the concessional rate of 10%).

Subparagraphs (i), (ii) and (iii) of paragraph (a) provide that in determining the goods that the subsection applies to the following provisions should be disregarded:

- . subsection 3(15) of Assessment Act (No. 1) (subparagraph (i));
- . anything to the same effect in Sales Tax Assessment Acts (Nos. 2 - 11) (refer to section 12 of Assessment Acts (Nos. 2 - 10) and section 16 of Assessment Act (No. 11)) (subparagraph (ii));
- . subsection 3(8) of the Exemptions and Classifications Act (subparagraph (iii)).

The subparagraphs of paragraph (b) of subsection (15) serve to identify parts of item 51/54 goods, referred to as inserts, which are different from the remainder of the exempt publication. The criteria to be used to identify inserts are:

- . different sheet size, for example, the sheets of paper of an advertising catalogue inserted in a newspaper might be smaller than the sheets of the newspaper (subparagraph (i));
- . printed by a different process, for example, a glossy flyer inserted in a newspaper might be printed by a different process from the newspaper (subparagraph (ii));
- . different paper or other material, for example, the paper on which an advertising brochure is printed might be a different kind of paper from the paper used to manufacture a newspaper in which the brochure is inserted for delivery (subparagraph (iii));
- . inserted separately into the exempt publication after the publication is made, for example, an advertising insert placed in a newspaper after all the sections of the newspaper have been assembled together and the newspaper is complete, or the insertion by a newsagent of printed matter supplied to the newsagent by a newspaper publisher separately from the newspaper (subparagraph (iv)).

The purpose of paragraphs (c) and (d) is to ensure that certain parts of an exempt publication that should remain exempt, but that might be identified to be inserts by paragraph (b), are not treated as inserts by this subsection.

By paragraph (c), if the exempt publication containing the insert is a magazine or similar publication (other than a newspaper) and one or more of the subparagraphs in paragraph (b) applies to part of the publication, the subsection will not apply to the part or insert if the insert is attached to the publication and is of a kind designed to be detached from the publication and used separately from it. For the purposes of paragraph (c) the insert can be glued, sewn or stapled to the exempt publication or attached by perforation. Paragraph (c) will ensure that only printed matter loosely inserted into a magazine is made subject to tax by these amendments.

Paragraph (d) applies where the exempt publication is a newspaper. If one or more subparagraphs of paragraph (b) applies to a part of a newspaper that would traditionally be regarded to be an ordinary section of the newspaper, such as, the news or sport section, paragraph (d) will ensure that the section is not treated as a separate insert and remains part of the newspaper for the purposes of the sales tax law.

As promotional inserts may, in some cases, be considered to be classified advertising paragraph (d) does not apply to prevent an advertising section of a newspaper being treated as goods separate from the newspaper. However, traditional classified advertising sections of a newspaper will continue to be part of the newspaper for sales tax purposes - and therefore remain exempt from tax - as paragraph (b) would not apply to an advertising section unless the section takes the form of an insert. That is, an advertising section of a newspaper printed on paper of a different sheet size from the remainder of the newspaper, printed by a different process, made of different paper or other material or inserted separately after the newspaper has been made.

New Section 18D : Sale Value of certain printed matter inserts

Schedule 2 of the Bill will also amend Assessment Act (No. 1) by adding a new section to the Act - section 18D. Section 18D will apply where inserts are sold or deemed to have been sold by the manufacturer of the insert to an unregistered person or a registered person who has not quoted a registration certificate in respect of the sale. Where paragraphs (a), (b) and (c) of new section 18D apply to an insert the section deems the sale value on which tax is to be paid at the time of a sale or deemed sale of the insert to be the sale value applicable under Assessment Act (No. 1) to an application to own use of the insert by the manufacturer.

Paragraph (a) of new section 18D links the section to new subsection 3(15) of Assessment Act (No. 1) (inserted by this Schedule - refer earlier notes on that subsection). This has the effect of applying section 18D to goods to which subsection

3(15) applies.

Paragraph (b) is satisfied where a manufacturer of an insert sells or is deemed, by subsection 3(4) of Assessment Act (No. 1), to have sold the insert. Subsection 3(4) deems a sale of goods to have taken place where, under a contract for the provision of services, a person supplies goods to another person. In the case of a newspaper publisher, for example, subsection 3(4) might apply where an advertiser contracts with the publisher for the delivery of printed matter inserts in the publisher's newspaper. If it is successfully argued that the contract is to provide a service to the advertiser in the performance of which inserts are supplied to a newsagent, subsection 3(4) might deem the supply to the newsagent to be a sale of goods.

Paragraph (c) applies where sales tax is payable by the manufacturer in relation to the sale or deemed sale of the insert. If sales tax is not payable under Assessment Act (No. 1) on the sale of an insert, by this paragraph section 18D will not apply to the inserts. This has the effect of delaying the taxing point, in line with the scheme of the sales tax law, to the time of the final wholesale sale.

Sales Tax Assessment Act (No. 2) 1930

New Section 4D : Sale value of certain printed matter inserts

This Schedule will also amend Assessment Act (No. 2) by adding a new section to that Act - section 4D. Section 4D, which is a similar provision to new section 18D of Assessment Act (No. 1) (refer earlier notes on that section), applies to inserts that are deemed to be goods separate from an exempt publication that are sold in circumstances dealt with under Assessment Act (No. 2).

As discussed earlier the new deeming provision in Assessment Act (No. 1) - subsection 3(15) - applies to Assessment Act (No. 2) by virtue of section 12 of Assessment Act (No. 2) in like manner as it applies to Assessment Act (No. 1).

By the operation of section 12, subsection 3(15) of Assessment Act (No. 1) deems printed matter inserts to publications that fall to be taxed under Assessment Act (No. 2) to be goods separate from the publication.

Paragraph (a) of section 4D has the effect of identifying the broad category of goods to which the section applies, i.e., goods to which subsection 3(15) of Assessment Act (No. 1) applies.

Paragraph (b) narrows the circumstances in which the section will apply to a sale or deemed sale of an insert by a registered person or person required to be registered who purchased the insert from its manufacturer.

Paragraph (c) excludes from the operation of the section a sale or deemed sale of an insert in respect of which no tax

is payable under Assessment Act (No. 2). This will have the effect of delaying the taxing point to the time of final wholesale sale of the insert in line with the scheme of the sales tax law.

Printed matter inserts to which paragraphs (a), (b) and (c) of section 4D apply will, by the operation of this section and subject to there being an arm's length dealing in the goods and to any agreement having been made between the Commissioner and the taxpayer concerning the sale value, be subject to sales tax on a sale value equal to the sale value that would apply if at the time they were sold or deemed to be sold the goods had been applied to the taxpayer's own use and Assessment Act (No. 4) applied to that application to own use.

Sales Tax Assessment Act (No. 3) 1930

New Section 4D : Sale value of certain printed matter inserts

Schedule 2 will amend Assessment Act (No. 3) by adding new section 4D to the Assessment Act.

New section 4D in Assessment Act (No. 3) will operate in the same way as section 4D in Assessment Act (No. 2) (refer earlier notes on that section) except that where Assessment Act (No. 2) applies to inserts sold by a purchaser from the manufacturer to an unregistered person, Assessment Act (No. 3) applies to sales by a person, who is not the manufacturer or the purchaser from the manufacturer, to an unregistered person.

The sale value of an insert subject to tax under Assessment Act (No. 3) will be equal to the sale value that would apply under Assessment Act (No. 4) if at the time the insert was sold it had been applied to the taxpayer's own use.

Sales Tax Assessment Act (No. 6) 1930

New Section 4D : Sale value of certain printed matter inserts

Schedule 2 of the Bill also amends Assessment Act (No. 6) by inserting in the Act a new section - section 4D.

Section 4D of Assessment Act (No. 6), which is similar to section 18D of Assessment Act (No. 1) - also inserted by this schedule - (refer earlier notes on that section), applies so that inserts imported into Australia by a registered person, that are sold or deemed to have been sold to an unregistered person, i.e., tax is payable in respect of the insert under Assessment Act (No. 6), are subject to tax on a sale value equal to the sale value that would apply if the insert had been applied to the taxpayer's own use at the time of the sale or deemed sale.

Sales Tax Assessment Act (No. 7) 1930

New Section 4D : Sale value of certain printed matter inserts

Assessment Act (No. 7) is amended by Schedule 2 of the Bill which adds new section 4D to the Act.

The amendment to Assessment Act (No. 7) is similar to the amendments made by the Schedule to Assessment Acts (Nos. 1-3 and 6)(refer earlier notes on those amendments).

New section 4D will ensure that the sale value of an insert that is subject to tax under Assessment Act (No. 7) is the sale value under Assessment Act (No. 8) that would be applicable if the insert had been applied to own use by the taxpayer at the time the sale or deemed sale taxable under Assessment Act (No. 7) occurred.

SALES TAX (EXEMPTIONS AND CLASSIFICATIONS)
AMENDMENT BILL 1990

Clause 1 : Short title

Paragraph (1) of clause 1 provides for the amending Act to be cited as the Sales Tax (Exemptions and Classifications) Amendment Act 1990.

Paragraph (2) of this clause provides for the Sales Tax (Exemptions and Classifications) Act 1935 to be referred to in this Bill as the "Principal Act".

Clause 2 : Commencement

This Bill is, by this clause, to commence at 7.30pm, by standard time in the Australian Capital Territory, on 21 August 1990. But for this clause the Bill would - by reason of subsection 5(1A) of the Acts Interpretation Act 1901 - come into operation on the twenty-eighth day after the date of Royal Assent.

Clause 3 : Interpretation

Clause 3 of the Bill amends section 3 of the Principal Act by adding new subsection (8) to that section. Subsection (8) deems certain printed matter inserted into an exempt publication to be goods separate from that publication for the purposes of the sales tax law.

This will have the effect of excluding printed matter inserts that are subject to tax when dealt with as separate goods from exemption under items 51 and 54 of the First Schedule to the Principal Act.

Paragraph (a) provides that goods that are covered by item 51 or 54 of the First Schedule to the Principal Act are covered by subsection (8) and are called item 51/54 goods for the purposes of the subsection.

Subsection (8) is almost identical to new subsection 3(15) which is to be inserted in to Sales Tax Assessment Act (No. 1) 1930 by the Sales Tax Laws Amendment Bill (No. 2) 1990. While section 3 of the Principal Act would operate to apply new subsection 3(15) of Assessment Act (No. 1) to the Principal Act, subsection (8) is being added by this Bill for ease of reference, thus enabling the Principal Act to be read without the need to refer back to Assessment Act (No. 1).

Subparagraphs (i) and (ii) of paragraph (a) provide that in determining goods that are covered by items 51 and 54 this subsection and subsection 3(15) of the Sales Tax Assessment Act (No. 1) 1930, including its application in accordance with any of the Sales Tax Assessment Acts, should be disregarded.

The application of subsection 3(15) of Assessment Act (No. 1) in accordance with any of the Sales Tax Assessment Acts is brought about by the operation of section 12 of Sales Tax Assessment Acts (Nos. 2 - 9) 1930 and Sales Tax Assessment Act (No. 10) 1985 and section 16 of Sales Tax Assessment Act (No. 11) 1985 (collectively referred to as Assessment Acts (Nos. 2 - 11)). These sections apply certain provisions, including new subsection 3(15), of Assessment Act (No. 1) to Assessment Acts (Nos. 2 - 11) in like manner as they apply to Assessment Act (No. 1).

Where one or more of subparagraphs (i) to (iv) of paragraph (b) apply to any part of item 51/54 goods, for the purposes of this subsection called an insert, the insert is taken to be separate goods:

- . under subparagraph (i) where the insert has a different sheet size than most of the remainder of the goods, for example, an application form for a club or credit card company or where an insert such as an advertising brochure has a smaller sheet size than the remainder of a newspaper or magazine;
- . subparagraph (ii) where the insert is printed by a different process than most of the remainder of the goods, for example, a full colour advertising catalogue or other promotional material inserted into a newspaper, or where a publisher of an exempt publication has subcontracted another printer to manufacture printed matter to be inserted separately into the exempt publication;
- . under subparagraph (iii) where the insert consists of different paper or other material than most of the remainder of the goods, for example, a glossy colour catalogue inserted in a newspaper that is printed on different paper to the newspaper, a thicker quality paper leaflet in a magazine, a lotto or bingo ticket inserted into an exempt publication;
- . subparagraph (iv) where the insert is placed into the remainder of the newspaper or magazine after the publication has been made, for example, where catalogues are delivered to a newsagent separately for insertion into the newspaper or magazine when it is sold to the consumer.

Paragraph (c) has the effect that if the item 51/54 goods are a magazine or similar publication (other than a newspaper) and the insert is attached by perforation, or glued, sewn or stapled to the remainder of the goods then it is not separate goods for the purposes of the subsection.

By paragraph (d) if the insert is a news, sport, entertainment, travel, leisure or similar section of a newspaper then it is part of the newspaper. An advertising section will remain part of a newspaper provided none of the

subparagraphs of paragraph (b) apply to it.

Where any of the above conditions apply then, for the purposes of the Principal Act, the insert is taken not to be and never to have been part of the item 51/54 goods. An insert is separate goods and thus subject to tax if it is not covered by an exemption item in the First Schedule to the Principal Act.

Clause 4 : Application of amendment

The amendments made by this Bill will apply to sales (and other taxable transactions, acts and operations) occurring after the commencement of this Act, i.e., on or after 7.30pm, standard time in the Australian Capital Territory, on 21 August 1990.