


# ***ST 2020 - SALES TAX CLEANING CLOTHS CUT FROM SECOND-HAND CLOTHING BY A COMMERCIAL ENTERPRISE***

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TAXATION RULING NO. ST 2020

SALES TAX CLEANING CLOTHS CUT FROM SECOND-HAND  
CLOTHING BY A COMMERCIAL ENTERPRISE

F.O.I. EMBARGO: May be released

REF H.O. REF: ST 22/68 DATE OF EFFECT: Immediate

B.O. REF: MELB: 6/C3/SC4/3/8 (2)

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1103799	CLEANING CLOTHS SECOND-HAND CLOTHING	SALES TAX ASSESSMENT ACT (NO.1) SECTION 3

OTHER RULINGS ON TOPIC: TAXATION RULING NO. ST 2002

PREAMBLE In Taxation Ruling ST 2002 it was stated that manufacture was not involved where a public benevolent institution cut second-hand clothing into sizes suitable for industrial cleaning cloths. The sales tax implications of similar operations carried out by business enterprises have now been considered.

FACTS 2. The production of the cleaning cloths merely involves the sorting of the clothing, the removal of buttons, hooks, zips, etc., the cutting into required sizes and the bundling of the cut material.

RULING 3. The mere cutting up of second-hand clothing into rags of suitable sizes for industrial cleaning is not considered to be manufacture and does not involve any sales tax liability.

COMMISSIONER FOR TAXATION  
14 March 1983