


ST 2115 - SALES TAX : HOVERCRAFT

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TAXATION RULING NO. ST 2115

SALES TAX : HOVERCRAFT

F.O.I. EMBARGO: May be released

REF H.O. REF: 84/2199-4 DATE OF EFFECT: Immediate
ST 66E/267 P1

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

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1131993	HOVERCRAFT SHIPS AND OTHER VESSELS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT, SUB-ITEMS 119(1) AND 119(1A), FIRST SCHEDULE.

OTHER RULINGS ON TOPIC ST 2038

PREAMBLE In Taxation Ruling No. ST 2038 it was ruled that hovercraft were not "ships or other vessels" for the purposes of sub-item 119(1), nor "aeroplanes" under sub-item 119A(1) or "omnibuses" in the context of sub-item 119C(1). Hovercraft were accordingly ruled to be taxable at the general rate. The Ruling has since been reviewed.

FACTS 2. While hovercraft are air cushioned vehicles capable of use over a variety of surfaces, they are used principally for travel over water and compete more directly with ships and other sea-going vessels.

RULING 3. Hovercraft possess most of the characteristics of, and are commonly used in similar circumstances to, ships and other vessels. Hovercraft are, therefore, accepted as being ships or other vessels and will qualify for exemption under sub-item 119(1) unless used exclusively or principally for purposes of pleasure, sport or recreation either by the owner or by any other person.

4. Hovercraft may also qualify for exemption under sub-item 119(1A) when used principally in the conduct of sight seeing tours.

5. Taxation Ruling No. ST 2038 is withdrawn.

COMMISSIONER OF TAXATION
21 February 1985

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