


# ***ST 2149 - SALES TAX : SHADE CLOTH FASTENERS***

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This document has been Withdrawn.

There is a Withdrawal notice for this document.

TAXATION RULING NO. ST 2149

SALES TAX : SHADE CLOTH FASTENERS

F.O.I. EMBARGO: May be released

REF H.O. REF: 84/5303-9 DATE OF EFFECT: Immediate

B.O. REF: SYD 22/B/D44/1 DATE ORIG. MEMO ISSUED:  
MELB 6/SA/SC4/1/13(1)

F.O.I. INDEX DETAIL

| REFERENCE NO: | SUBJECT REFS:                                    | LEGISLAT. REFS:  |
|---------------|--|--|
| I 1193334     | SHADE CLOTH FIXING PINS<br>SHADE CLOTH FASTENERS | SALES TAX (EXEMPTIONS<br>AND CLASSIFICATIONS)<br>ACT; ITEMS 13(1),<br>84(2) and 113A FIRST<br>SCHEDULE |

OTHER RULINGS ON TOPIC ST 2027

PREAMBLE Shade cloth fasteners are marketed specifically for use in securing shade cloth to the frames of shade houses. They are made of plastic materials and are marketed in pin, strap fasteners and butterfly clip form.

2. In Taxation Ruling No. ST 2027 it was stated that, on the information then available, shade cloth fixing pins were used primarily and principally in agricultural industry in the construction or repair of commercial plant nursery shade houses. They were ruled to qualify for conditional exemption under sub-item 13(1), First Schedule. The ruling has now been reviewed following further enquiries into the marketing of shade cloth fasteners. The review has established that none of the shade cloth fixing pins are used primarily and principally in the agricultural industry - they are used principally by home gardeners.

3. During the review it was ascertained that metal gang nail type articles and metal studs which are for use principally by builders in the building industry are also used by persons in securing shade cloth to the frames of shade houses. The metal fasteners have previously been ruled unconditionally exempt from sales tax under sub-item 84(2), First Schedule, as builders' hardware, being goods of a kind used in the construction or repair of, and wrought into or attached to so as to form part of, buildings or other fixtures.

RULING 4. Shade cloth fasteners are not goods of a kind used exclusively, or primarily and principally, in agricultural industry. They do not qualify for exemption under sub-item 13(1) even when sold for use in constructing or repairing commercial plant nursery shade houses.

5. The metal fasteners considered are unconditionally exempt under sub-item 84(2) as builders' hardware. The plastic fasteners are not used by builders and are not builders' hardware. They are not covered by sub-item 84(2).

6. Commercial nurserymen are manufacturers for sales tax purposes and goods purchased for their use as aids to manufacture qualify for exemption under item 113A, First Schedule. Shade houses are used by nurserymen in their production processes. Shade cloth fixing materials used with plant nursery shade houses qualify for exemption under item 113A. Plastic shade cloth fasteners purchased for use by home gardeners and in other circumstances where conditional exemption does not apply are taxable at 20%.

7. Taxation Ruling No. ST 2027 is withdrawn.

COMMISSIONER OF TAXATION  
22 JULY 1985

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