


ST 2182 (as amended 21/11/85) - SALES TAX: TRACTOR PARTS

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TAXATION RULING NO. ST 2182 (as amended 21/11/85)

SALES TAX: TRACTOR PARTS

F.O.I. EMBARGO: May be released

REF H.O. REF: 83/5262-3 DATE OF EFFECT: Immediate

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

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1124150	TRACTOR PARTS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT: ITEMS 1 AND 10B, FIRST SCHEDULE.

OTHER RULINGS ON TOPIC: ST 2131

PREAMBLE Sub-item 1(48) in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempts from sales tax tractors for use in agricultural industry and parts therefor. Sub-item 10B(2), First Schedule exempts parts for tractors for use in the timber-getting industry in the hauling of log timber.

2. In Taxation Ruling No. ST 2131 it was ruled that sales of motor vehicle parts and accessories to used car dealers for fitting by the dealers to vehicles owned and held by them as stock for sale were retail sales. The Ruling proceeds on the basis that the subsequent sale of the vehicle does not involve a separate sale of the new parts and accessories fitted to it.

3. The question has arisen whether the Ruling operates to make liable to tax parts used in repairing tractors held in stock for sale where the tractors are subsequently sold for use in exempt circumstances.

RULING 4. Taxation Ruling No. ST 2131 does not override the specific exemptions in sub-items 1(48) and 10B(2). The exemptions provided for tractor parts in sub-items 1(48) and 10B(2) still operate to exempt parts used in repairing tractors to which the sub-items relate, ie, tractors for use in agricultural industry or for use in the timber-getting industry in the hauling of log timber.

5. Where a dealer maintains a tax-free stock of parts he may treat those parts drawn from stock to repair tractors covered by sub-items 1(48) and 10B(1) as exempt from tax. Where a dealer operates from a tax paid stock he may claim a credit from his supplier for the tax content of parts used in repairing exempt tractors.

6. Exemption does not apply to parts for use in repairing tractors that are for use in taxable circumstances, e.g., by golf clubs or landscape gardeners. Tax is payable on the parts used in the same manner as detailed in Taxation Ruling No. ST 2131.

COMMISSIONER OF TAXATION
8 November 1985

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