ST 2261 - SALES TAX : DRAWING AND DRAFTING EQUIPMENT FOR USE IN UNIVERSITIES AND SCHOOLS

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TAXATION RULING NO. ST 2261

SALES TAX : DRAWING AND DRAFTING EQUIPMENT FOR USE IN UNIVERSITIES AND SCHOOLS

F.O.I. EMBARGO: May be released

REF

*** NOTE: THIS RULING HAS BEEN MODIFIED BY ST 2338

H.O. REF: 86/2308-2 DATE OF EFFECT: Immediate

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

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1209589	DRAWING AND DRAFTING EQUIPMENT FOR USE IN UNIVERSITIES AND SCHOOLS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 63, FIRST SCHEDULE

PREAMBLE Sub-item 63(1) in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempts from sales tax scientific instruments and scientific apparatus for use in universities and schools. Parts for and materials used in connection with the instruments or apparatus are also exempt. Goods which are inherently scientific instruments or scientific apparatus, e.g. microscopes, drawing instruments and mathematical instruments, may be acquired free of tax under sub-item 63(1) irrespective of the nature of the course of studies undertaken.

RULING 2. Drawing and drafting equipment is used in a wide range of courses provided by universities and schools, e.g. architecture, engineering, surveying, building, etc. Not all of the equipment necessary for the various courses can be said to constitute scientific instruments or scientific apparatus - pencils and erasers, for example, cannot be said to be scientific instruments or apparatus.

3. The following items are accepted as scientific instruments or scientific apparatus for the purposes of sub-item 63(1) and will be exempt from sales tax when they are purchased to be used at a university or school:-

Portable drawing boards incorporating calibrations, scales, etc.
Drafting Machines
Compass Sets
Scale Rules
Steel Rulers
Set Squares
Technical Pens

4. Items which are not considered to be scientific instruments or scientific apparatus include:-

Plain Timber Drawing Boards
Drawing Board Stands
Drafting Film
Highlighting Markers
Rendering Equipment
Cartridge/Layout Paper
Trimming Knives
Erasers
Pencils (including colour pencils)

5. Some of the items listed in paragraph 4 may qualify for exemption as materials used in connection with scientific instruments or scientific apparatus. Exemption for materials is limited to goods used directly with the scientific instruments or scientific apparatus. The following goods are exempt as materials:-

Drafting Film
Cartridge/Layout Paper
Rendering Equipment (water and poster colours)

6. The remaining goods listed in paragraph 4 are not exempt from sales tax under sub-item 63(1). They are taxable at the rates of tax applicable to each class of goods.

COMMISSIONER OF TAXATION
25 June 1986

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