


ST 2326W - Notice of Withdrawal - Sales tax: mining operations

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Notice of Withdrawal

Sales Tax Ruling

Sales tax: mining operations

Sales Tax Ruling ST 2326 is withdrawn with effect from today.

1. Sales Tax Ruling ST 2326 explains that the decisions in the *Northwest Iron Co Ltd v. Federal Commissioner of Taxation* 85 ATC 4316; 16 ATR 527, and *Federal Commissioner of Taxation v. Northwest Iron Co Ltd* 86 ATC 4202; 17 ATR 400 do not warrant any change in the established approach to the administration of item 14 of the First Schedule to the *Sales Tax (Exemptions and Classifications) 1935*. They are very much decisions based on the unusual circumstances of the SRM operations – highlighting the need to judge each situation on its own facts. In the majority of cases, however, it is expected that the tests applied and the conclusions reached in *Federal Commissioner of Taxation v. Broken Hill Pty Co Ltd* (1967-1969) 120 CLR 240 will continue to mean that mining operations finish generally at the site of or nearby to the site of extraction of the ore and that a mining property is limited to that area.
2. The goods and services tax came into effect from 1 July 2000. Sales tax ceased to apply to transactions from that date.
3. This Ruling is no longer current and does not apply to transactions occurring on or after 1 July 2000.

Commissioner of Taxation

9 May 2007

ATO references

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ATOlaw topic: Sales Tax ~- Construction and mining ~- equipment