

ST 2349 - Sales Tax : Warning Signs or Plates Attached to Motor Vehicles

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TAXATION RULING NO. ST 2349

SALES TAX : WARNING SIGNS OR PLATES ATTACHED TO MOTOR VEHICLES

F.O.I. EMBARGO: May be released

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F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1206349	SAFETY AND WARNING SIGNS SIGNS ON MOTOR VEHICLES	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 113G FIRST SCHEDULE

PREAMBLE Sub-item 113G(1) in the First Schedule to the Sales Tax
(Exemptions and Classifications) Act exempts:-

"Equipment of a kind used exclusively, or primarily and principally, in the course of industrial operations to protect persons engaged in those operations, including masks, respirators, shields, goggles, vizors, helmets, belts and machine guards."

2. The classification of warning signs or plates attached to motor vehicles has arisen for consideration under sub-item 113G(1).

3. Warning signs and plates which may be attached to motor vehicles generally fall into the following two categories:-

Category 1

Danger Long (Wide) Load
(Ahead/Following)
Do not Overtake Turning Vehicle
Give Way (Buses)
Long Load
Retroreflective rear marking plates
Road Train
Wide Load

Category 2

Dangerous goods signs,
e.g: Explosive
Flammable Liquid
Poison
Radioactive
Warning stripes

4. The warning signs and plates in Category 1 are designed to be attached to the front and/or rear of motor vehicles and serve as a warning to other road users. Those in Category 2, although they can be and are attached to motor vehicles, may also be used in industrial premises to indicate the existence of potentially dangerous situations - if particular warning signs and plates are not so used they are, at least, similar to those which are so used. The warning stripes referred to in Category 2 are adhesive black and yellow striped strips which are used to mark the edges of truck tail gates and loading platforms. The stripes warn the driver or person loading the vehicle to take care that they do not injure themselves on the metal edges of the tail gates or loading platforms.

RULING 5. To qualify for exemption under sub-item 113G(1) an

article must be of a kind used primarily and principally in the course of industrial operations either:-

- (a) for the physical protection from danger of a person engaged in the operations; or
- (b) as a direct warning to a person engaged in the operation of imminent possible danger, where the danger arises from particular equipment or from conditions in a particular locality.

6. The driving of motor vehicles in the pursuit of gainful employment is an industrial operation. Warning signs on motor vehicles are exempt under sub-item 113G(1) where the signs are used primarily and principally to protect persons engaged in industrial operations.

7. The signs included in Category 1, although providing a warning of imminent possible danger from particular equipment or conditions in a particular locality, are not directed at persons engaged in industrial operations. Rather, they are primarily and principally directed at the general public, especially other road users in the vicinity of vehicles which display the warning signs. In general other road users are not engaged in industrial operations. Warning signs and plates in Category 1 are not used primarily and principally to protect persons engaged in industrial operations and are taxable at the general rate, currently 20%.

8. By comparison, the warning signs and plates included in Category 2 can be and are used on product containers and transport vehicles to warn workers, drivers, service personnel and emergency services of the nature of the contents and their inherent dangers. They are of a kind whose primary and principal use is directed to warning persons engaged in industrial operations of imminent possible danger in the handling of the contents. Signs of the type included in Category 2 are exempt from sales tax under sub-item 113G(1), First Schedule.

COMMISSIONER OF TAXATION
2 July 1987