


ST 2002 - CLEANING CLOTHS CUT FROM SECOND-HAND CLOTHING BY CHARITABLE ORGANISATIONS

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TAXATION RULING NO. ST 2002

CLEANING CLOTHS CUT FROM SECOND-HAND CLOTHING BY
CHARITABLE ORGANISATIONS

F.O.I. EMBARGO: May be released

REF

H.O. REF: 82/5364 f.2 DATE OF EFFECT:
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F.O.I. INDEX DETAIL

| REFERENCE NO: | SUBJECT REFS: | LEGISLAT. REFS: |
|---------------|--|-----------------|
| I 1102978 | CHARITABLE ORGANISATION CLEANING CLOTHS MANUFACTURE SECOND-HAND CLOTHING | STAA(1)3 |

PREAMBLE

In a case recently considered in this office, a public benevolent institution obtained a considerable amount of second-hand clothing etc. Some of the clothing which was not suitable for either resale or supply to needy families was cut into sizes suitable for cloths for industrial cleaning and was, in fact, sold for that purpose.

RULING

2. It has been decided there is no sales tax payable on the rags. Essentially they are second-hand goods and, in any event, the cutting up of the clothing by the public benevolent institution into sizes suitable for cloths for industrial cleaning does not involve manufacture. Such a process may constitute manufacture where it is carried out in an industrial context but in the relatively simple circumstances in which it is carried out by the public benevolent institution, the process is not considered to amount to manufacture.

COMMISSIONER OF TAXATION
15 DECEMBER 1982