

ST 2047 - SALES TAX : BRUSHES OF THE KINDS USED BY SIGNWRITERS AND BY ARTISTS

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TAXATION RULING NO. ST 2047

SALES TAX : BRUSHES OF THE KINDS USED BY SIGNWRITERS
AND BY ARTISTS

F.O.I. EMBARGO: May be released

REF

*** NOTE: THIS RULING HAS BEEN MODIFIED BY ST 2302

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F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1115240	BRUSHWARE ARTISTS' BRUSHES SIGNWRITERS' BRUSHES	SALES TAX (EXEMPTION AND CLASSIFICATIONS) ACT THIRD SCHEDULE ITEM 5 AND FIRST SCHEDULE ITEM 113ABC

PREAMBLE

Sub-item 5(1), Third Schedule, taxes at 7.5% hand tools of the kinds used for industrial purposes but does not include equipment of the kinds used for or in connexion with writing or drawing or brushes of the kinds used by artists or draughtsmen. Artists' brushes have been ruled to be excluded from sub-item 5(1) and taxable at the general rate (20%) while signwriters' brushes have been accepted as coming within sub-item 5(1) and taxable at 7.5%.

2. Concern has been expressed by graphic arts suppliers about the classification of brushes used by artists and artisans e.g. signwriters, show-card and ticket writers.

3. Advice has been sought concerning the classes of brushes which come within the expression "equipment of the kinds used for or in connexion with writing or drawing" which are excluded from the scope of sub-item 5(1), Third Schedule and, also, of the circumstances in which brushes may qualify for exemption under the "aids to manufacture" provision.

FACTS

4. Although artists' brushes come in a variety of sizes, they are generally of two types, i.e. round ferruled brushes which come to a distinct point tip or flat ferruled type with a short chisel edge or rounded edge. The hair of artists' brushes is rounder and the length shorter than that found with signwriters' chisel edged brushes. They are used principally by artists.

5. Lettering brushes are round ferruled chisel edged and are generally made of pure sable, sable mixes or imitation sable. They are used for lettering purposes by signwriters, ticket writers and show-card writers.

6. One stroke brushes are made of the same hair as

lettering brushes but are flat ferruled and straight chisel edged. They are used for script writing.

7. Angular liners are long handled brushes made of bristle which is shaped to an angular tip. They are used for lining work on sign panels.

8. Dagger liners are short handled, long squirrel hair brushes which taper on one side to form a pointed tip. They are used for lining work on small signs.

9. Broad liners are also used for lining work on small signs. Like dagger liners they are short handled, long squirrel hair brushes but instead of having a tapered point they have a straight edge.

10. Gilders' tips and gilders' mops are made of soft squirrel hair and are used solely for the purpose of lifting gold leaves from books and applying gold size to honour boards and other similar boards. They are broad brushes (3.5cm to 5cm wide) with a straight edge and not suitable for lettering work.

11. Sign cutters are long handled brushes made of bristles which taper to a chisel edge tip. They are used for filling in outlines produced by using writer chisel edged brushes.

RULING

12. Equipment of the kinds used for or in connexion with writing or drawing or brushes of the kinds used by artists or draughtsmen are specifically excluded from item 5, Third Schedule, and are taxable at the general rate, 20%. Lettering brushes are equipment of the kinds used for or in connexion with writing or drawing. They are taxable at 20%. Brushes in this category are one stroke brushes, show-card brushes, highliner brushes and script brushes. Artists brushes have always been classified as taxable at the general rate and that ruling is confirmed.

13. Signwriters' brushes are not necessarily used for lettering and can be used for a variety of purposes in producing a sign. Sign cutters are used to fill in outlines while lining brushes are used for fine line and broad line work. Signwriters' brushes are not covered by the exclusion and they are taxable at the rate of 7.5%, under item 5, Third Schedule.

14. In appropriate circumstances brushes may be purchased free of sales tax by signwriters and other persons where they are for use exclusively or primarily and principally as "aids to manufacture". Persons entitled to this concession are signwriters and ticket writers who require the brushes for use principally in the manufacture of goods such as signs and price tickets. Exemption does not apply to persons covered by the special provisions relating to "manufactures of small businesses" or to brushes, etc. which are not used primarily and principally in the manufacture of goods. For example, the painting of signs directly on windows, walls, vehicles, etc. does not involve the manufacture of goods and brushes purchased for this purpose are taxable. Persons wishing to claim exemption under the "aids to manufacture" provisions are required to furnish a quotation of certificate of registration or an exemption certificate which is then retained by the vendor as his authority for not charging tax. In the absence of an

appropriate certificate, tax should be charged at the rate applicable to the particular brushes.

15. The following rulings published in the Sales Tax Exemptions and Classifications 1983 are withdrawn:-

Goods ruled to be COVERED by sub-item 5(1).
Page 611 - Signwriters' fitches (S.T.R. 10/54).

Goods ruled to be NOT COVERED by sub-item 5(1).
Page 615 - Artists' brushes, including writing
brushes (S.T.R. 9/54).

16. The following rulings replace those above and will issue in due course as amendments to the publication, Sales Tax Exemptions and Classifications 1983:-

Goods ruled to be COVERED by sub-item 5(1) -
Signwriters' brushes, namely, angular liners, broad liners, dagger liners, dagger stripers, fresco liners, gilders' mops, gilders' tips and sign cutters.

Goods ruled to be NOT COVERED by sub-item 5(1) -
Artists' brushes including pointed, rounded and chisel edged; and brushes marketed as artists' brushes.

Writing brushes including lettering brushes, writer chisel edged, one stroke brushes, show-card brushes, highliner brushes and script brushes.

COMMISSIONER OF TAXATION
28 September 1983