


ST 2058 - SALES TAX : HYDRAULIC LIFTING SYSTEMS

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TAXATION RULING NO. ST 2058

SALES TAX : HYDRAULIC LIFTING SYSTEMS

F.O.I. EMBARGO: May be released

REF

*** NOTE: THIS RULING HAS BEEN MODIFIED BY ST 2302 & ST 2299

H.O. REF: ST 11/81

DATE OF EFFECT: Immediate

B.O. REF:

DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1115450	Hand Tools	Sales Tax (Exemptions and Classifications) Act
	Hydraulic Lifting Systems	Item 5, Third Schedule, Item 7, Third Schedule

FACTS

Hydraulic lifting systems consist of three components -

- (a) a pump operated by hand or by electric, air or petrol motor;
- (b) a high pressure hose; and
- (c) a hydraulic cylinder.

2. The hydraulic cylinder and pump are connected by the hose and hydraulic oil is pumped from a reservoir in the pump through the hose to the cylinder. The pressure created displaces the inside sleeve of the cylinder to push, pull or lift as is required. The operation is similar to that of a hydraulic car jack. The hydraulic cylinders come in a variety of sizes to suit particular tasks. They can lift from 4 tons to 250 tons and can weigh up to 247 kilograms.

RULING

3. Because the various components of hydraulic lifting systems may be selected to suit particular needs they are classified separately for sales tax purposes.

4. Electric, air and petrol motor hydraulic power units are not hand tools of the kind covered by item 5, Third Schedule, and are taxable at 20%. Hydraulic hand pumps, with some exceptions, are accepted as hand tools of the kind covered by item 5, Third Schedule and taxable at 7.5%. The exceptions are the larger pumps. By way of illustration there is a 40 litre model hand pump which is fitted with wheels to enable it to be moved around. Because of its size and weight and the fact that it is wheeled around it is not considered to be a hand tool. The 40 litre model hand pump and comparable pumps are taxable at 20%.

5. The high pressure hose is taxable at 20%. It is not a

hand tool.

6. The hydraulic cylinders are lifting devices that are operated by hydraulic pressure. The weight of many of them would preclude any operation by hand. As a class of goods the hydraulic cylinders are not considered to be hand tools. They are taxable at 20%.

7. Hydraulic lifting systems are the type of equipment that would be often sold for use in industry and other business applications in the servicing, repair or reconditioning of motor vehicles, aeroplanes, ships, railway rolling stock or in the construction, maintaining or repairing of buildings, bridges, pipelines and other structures. Where sold for these uses the equipment would come within item 7, Third Schedule, and qualify for conditional classification at the Third Schedule rate which currently is 7.5%.

COMMISSIONER OF TAXATION
29 December 1983