


ST 2122W - Notice of Withdrawal - Sales tax: webbing and cloth tape

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Notice of Withdrawal

Sales Tax Ruling

Sales tax: webbing and cloth tape

Sales Tax Ruling ST 2122 is withdrawn with effect from today.

1. Subitem 8(3) of the Third Schedule to the *Sales Tax (Exemptions and Classifications) Act 1935* taxes at the rate of 7.5%, braid, cloth belting, cloth ribbon, cloth tape, elastic, fringe, insertion lace, wadding, webbing, lacing cord and other textile cords of a kind used on clothing, drapery or soft furnishings. The question has arisen whether the words 'of a kind used on clothing, drapery or soft furnishings' apply only to 'other textile cords' or whether they apply to all the goods named in the subitem.
2. Subitem 8(3) replaced subitem 120(6) of the First Schedule to that Act. In its original form that sub-item read:

Braid, cloth belting, cloth ribbon, cloth tape, elastic, insertion lace, wadding and webbing.
3. Subitem 120(6) was amended by adding to it 'fringe' and 'lacing cord' and the general words 'other textile cords of a kind used on clothing, drapery or soft furnishings'.
4. Having regard to the legislative history, subitem 8(3) should be applied consistently with the intent of subitem 120(6) and on the basis that the goods specified in the subitem stand on their own. Therefore the qualifying words apply only to 'other textile cords'.
5. The goods and services tax came into effect from 1 July 2000. Sales tax ceased to apply to transactions from that date.
6. This Ruling is no longer current and does not apply to transactions occurring on or after 1 July 2000.

Commissioner of Taxation

7 March 2007

ATO references

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