


ST 2190 - SALES TAX : TRACTORS - TRANTOR HIGH SPEED TRACTOR/TRANSPORTER

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TAXATION RULING NO. ST 2190

SALES TAX : TRACTORS - TRANTOR HIGH SPEED
TRACTOR/TRANSPORTER

F.O.I. EMBARGO: May be released

REF

*** NOTE: THIS RULING HHAS BEEN MODIFIED BY ST 2299

H.O. REF: 85/6262-8

DATE OF EFFECT: IMMEDIATE

B.O. REF:

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F.O.I. INDEX DETAIL

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SUBJECT REFS:

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I 1205268

TRACTORS
TRANTOR

SALES TAX (EXEMPTIONS
AND CLASSIFICATIONS) ACT;
SUB-ITEMS 1(48), 14(1),
FIRST SCHEDULE; ITEM 7,
THIRD SCHEDULE.

FACTS

Negotiations are underway for the Trantor tractor, at present manufactured in the United Kingdom, to be assembled and marketed in Australia.

2. The Trantor has many features similar to an ordinary tractor, including its general configuration. It is designed to tow and push goods, has power take-off fitted, three point linkage and differential lock, and is for use in similar circumstances to a tractor. The only point of real difference is that it can travel up to 80km per hour which makes it suitable for use as occasion demands as a road haulage vehicle. However, it does not compete directly with road transport vehicles because it lacks the capacity to do so. Nor can it be described as a road transport vehicle. Rather, the higher top speed makes it a more versatile vehicle than the traditional agricultural tractor allowing it to be used to tow goods on the highway in addition to the normal tractor uses.

RULING

3. The Trantor is a tractor. Its liability to sales tax will depend upon the circumstances in which it is sold. Where it is sold, for example, for use in the agricultural industry or in the mining industry in carrying out mining operations, it will be exempt from sales tax, see sub-items 1(48) and 14(1), First Schedule, Sales Tax (Exemptions and Classifications) Act. In some circumstances, the tractor may qualify for exemption as an aid to manufacture.

4. Where the tractor is for use in the construction, maintenance or repair of buildings, other structures, roads, dams and other works, paragraph (c) of sub-item 7(1) in the Third Schedule will apply to impose sales tax at the rate of 10%.

5. In other situations, eg. where the tractor is for use by a landscape gardener or by a sporting body for ground maintenance or by a wholesaler or retailer as a general

warehouse vehicle, it will be taxable at the general rate of 20%.

COMMISSIONER OF TAXATION
19 December 1985

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