


ST 2263 (as amended 11/7/86) - SALES TAX : PORTABLE MEAT SAWS

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TAXATION RULING NO. ST 2263 (as amended 11/7/86)

SALES TAX : PORTABLE MEAT SAWS

F.O.I. EMBARGO: May be released

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F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1209602	MEAT SAW	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 13, FIRST SCHEDULE; ITEM 1, THIRD SCHEDULE

PREAMBLE This office has recently had occasion to consider the sales tax classification of a range of portable meat saws.

2. Sub-item 13(1) in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempts machinery, implements and apparatus, n.e.i., (and parts therefor), for use in agricultural industry if, in the opinion of the Commissioner, they are goods of a kind used exclusively, or primarily and principally, in that industry.

3. Item 1 in the Third Schedule taxes at the rate of 10% certain goods of a kind ordinarily used for household purposes. Paragraph (h) of that item includes grillers, stoves, etc. and other appliances for use for culinary purposes.

FACTS 4. The meat saws are portable band saws which are marketed as a "rural meat saw" and a "meat band saw". They are intended for use mainly by farmers and graziers who slaughter their own livestock and produce cuts of meat for their own use or for use by employees. They may be placed on bench tops or attached to stands. The saws are relatively small and are powered by electric motors from as little as 1/4 horse power to one horse power. They are not particularly suited to use by butchers in business. The majority of sales of this type of saw have been made to farmers and graziers for domestic use.

5. The saws may also be used to cut wood or metal. Their light construction, however, makes them unsuitable for regular use in cutting these materials.

RULING 6. The slaughtering of livestock by farmers and graziers of sheep and cattle for their own and their employees' use is essentially a domestic matter. The portable saws are not of a kind used primarily and principally in agricultural industry for the purpose of sub-item 13(1), First Schedule, and are not exempt under sub-item 13(1).

7. To be covered by paragraph 1(h), Third Schedule, the portable meat saws must be household appliances for culinary

purposes. The decision in *Sherwood Overseas Pty Ltd v F.C.* of T. 85 ATC 4267; 16 ATR 473, makes it clear that the use of the saws outside and away from the house, for example, in sheds, is no bar to coverage under paragraph 1(h). It is the nature of the use of an item of goods which is decisive.

8. As the saws are used for culinary purposes in cutting large portions of meat into table size servings they are considered to be taxable at 10% under paragraph 1(h), Third Schedule.

COMMISSIONER OF TAXATION
30 June 1986

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