


# ***ST 2322W - Notice of Withdrawal - Sales tax: aircraft and aircraft servicing equipment***

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# Notice of Withdrawal

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## Sales Tax Ruling

### Sales tax: aircraft and aircraft servicing equipment

Sales Tax Ruling ST 2322 is withdrawn with effect from today.

1. Sales Tax Ruling ST 2322 explains that the amendment to subitem 119A(1) of the First Schedule to the *Sales Tax (Exemptions and Classifications) Act 1935* means that all aircraft including flying boats, seaplanes, helicopters, hot air balloons, air ships, dirigibles and gliders will qualify for exemption from sales tax provided they satisfy the business use tests of the subitem. While hang gliders are considered to be aircraft for the purposes of the subitem it is doubtful whether they would satisfy the business use test for exemption. They are taxable at the rate of 20%. With the repeal of item 7 of the Third Schedule to that Act machinery, implements, apparatus and materials used in servicing, repairing or reconditioning aircraft became taxable at 20%.
2. Parts for aircraft follow the classification of the aircraft being repaired. To be exempt under subitem 119A(4) in the First Schedule, the parts must be for use in repairing an aircraft which at the time of purchase qualify for exemption.
3. The goods and services tax came into effect from 1 July 2000. Sales tax ceased to apply to transactions from that date.
4. This Ruling is no longer current and does not apply to transactions occurring on or after 1 July 2000.

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**Commissioner of Taxation**

9 May 2007

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#### ATO references

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