


ST 2330 - SALES TAX : RAIN WATER FLUSHING SYSTEM

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TAXATION RULING NO. ST 2330

SALES TAX : RAIN WATER FLUSHING SYSTEM

F.O.I. EMBARGO: May be released

REF

N.O. REF: 86/10969-7

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F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1210655	FITTINGS AND PARTS FOR PIPING AND TUBING	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 18, FIRST SCHEDULE, ITEM 12, THIRD SCHEDULE.

OTHER RULINGS ON TOPIC: ST 2082

PREAMBLE

Sub-items 18(1) and (1A) in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempt piping and tubing made principally of metal or other specified materials and channelling and guttering, for use for irrigation, water supply, drainage or sewerage purposes, subject to specific exclusions not relevant here. Sub-item 18(2) exempts fittings (and parts therefor) for goods covered by sub-item (1) or (1A) including specified goods such as clear outs, floor wastes and traps.

2. Sub-item 12(2) in the Third Schedule taxes at 10% appliances or equipment for softening, filtering, de-salting or sterilizing water, being goods of a kind installed as fixtures.

3. Consideration has recently been given to whether a "roof and gutter flush system" is exempt under sub-item 18(2), First Schedule or comes within sub-item 12(2), Third Schedule.

FACTS

4. The roof and gutter flush system is designed to fit between the gutter and a rainwater tank to remove leaves, dirt etc from the water entering rainwater tanks. It helps to prevent the pollution of the rain water which is collected in storage tanks.

5. The system consists of a holding tank which is permanently fitted as a trap to the down pipe leading from the gutter to the storage tank. Consequently any debris and contaminants which are carried by the initial "run-off" are trapped in the holding tank. As the holding tank fills, a float valve in the tank rises and when the tank is full it seals the tank by blocking the intake to it. The rainwater "run-off" then by-passes the trap and flows direct to the storage tank.

6. After the rain has stopped the holding tank is automatically bled to reduce the water level to a small viewing window to enable observation of the amount of debris collected in the tank. When the debris collected has built up to a certain level it is removed by unscrewing a large cap at the

bottom of the holding tank. It is not necessary to clear the holding tank of debris after each fall of rain. It only needs to be cleared when the debris has built up to the viewing window level.

RULING

7. The flushing system is in effect a trap fitted to piping which is used for both water supply and drainage. It does not filter water but merely collects and disposes of a limited volume of "run-off" water. The flushing system is not a filter and therefore is not covered by sub-item 12(2), Third Schedule. It is exempt under sub-item 18(2), First Schedule, as a trap fitted to piping for water supply and/or drainage purposes.

COMMISSIONER OF TAXATION

26 March 1987