ST 2338 - SALES TAX : DRAWING AND DRAFTING EQUIPMENT FOR USE IN UNIVERSITIES AND SCHOOLS

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TAXATION RULING NO. ST 2338

SALES TAX : DRAWING AND DRAFTING EQUIPMENT FOR USE IN UNIVERSITIES AND SCHOOLS

F.O.I. EMBARGO: May be released

REF N.O. REF: 86/2308-2 DATE OF EFFECT: 20 August 1986

B.O. REF: DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1218478	DRAWING AND DRAFTING EQUIPMENT FOR USE IN UNIVERSITIES AND SCHOOLS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEMS 63 AND 63A, FIRST SCHEDULE.

OTHER RULINGS ON TOPIC ST 2261

PREAMBLE Prior to the 1986/87 Budget sub-item 63(1) in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempted from sales tax scientific instruments and scientific apparatus for use in schools and universities. Parts for and materials used in connection with the instruments and apparatus were also exempt. Taxation Ruling No. ST 2261 illustrates the sorts of instruments and equipment which do and do not qualify for exemption under the sub-item.

2. Exemption under sub-item 63(1) was generally obtained by a student supplying an appropriately worded exemption certificate to the supplier.

3. The Sales Tax (Exemptions and Classifications) Amendment Act 1986, Act No.98 of 1986, omitted item 63 from the First Schedule effective on and from 20 August 1986.

RULING 4. The omission of item 63 from the First Schedule means that drawing and drafting equipment purchased for use by students in universities and schools is no longer exempt from sales tax and students are not entitled to claim exemption on the purchase of such goods. Suppliers of scientific instruments and scientific apparatus to students should not accept exemption certificates tendered by students or other persons claiming exemption under sub-item 63(1).

5. The items specified in Taxation Ruling No. ST 2261 as scientific instruments or scientific apparatus for the purposes of the exemption under sub-item 63(1) are now taxable at the rates applicable when purchased by students.

6. Although students can no longer purchase scientific instruments and scientific apparatus free of sales tax the exemption available to non-profit schools and universities still applies. Scientific instruments and apparatus purchased by such bodies for their own use and not for sale qualify for exemption under item 63A, First Schedule.

7. Taxation Ruling No. ST 2261 is modified to the extent

that it applies only to scientific equipment and scientific apparatus purchased prior to 20 August 1986.

COMMISSIONER OF TAXATION
4 June 1987