


ST 2371 - SALES TAX : PRE-FABRICATED TOILET UNITS

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TAXATION RULING NO. ST 2371

SALES TAX : PRE-FABRICATED TOILET UNITS

F.O.I. EMBARGO: May be released

REF N.O. REF: 87/3312-1 DATE OF EFFECT: Immediate

B.O. REF: New STAT P/ST6A DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1010082	PRE-FABRICATED TOILET UNITS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; SECTION 6A, ITEM 14 THIRD SCHEDULE.

OTHER RULINGS ON TOPIC : ST 2351

PREAMBLE Section 6A in the Sales Tax (Exemptions and Classifications) Act applies to goods which are pre-fabricated buildings or pre-fabricated building sections. Section 6A operates to reduce the sale value of these goods to an amount equal to the sale value of the taxable components incorporated in them.

2. Item 14 in the Third Schedule to the Sales Tax (Exemptions and Classifications) Act taxes household fittings and sanitary ware (and parts therefor, including chains, plugs and washers) of a kind installed in houses or other buildings so as to become fixtures therein, namely (as far as is relevant here) pedestal lavatory basins, wall and bowl basins, towel rails and towel rail holders, toilet pans and seats and covers therefor, appliances for sterilizing or disinfecting toilet pans and seats, and sanitary cistern and water storage tanks for use in sewerage systems.

3. The sales tax classification of -

- . large pre-fabricated ablution units; and
- . toilet units which are installed as fixtures,

has recently been considered.

FACTS 4. Larger ablution blocks are constructed in a way that they can be transported on the back of a semi-trailer and unloaded for use at construction sites etc., for extended periods. While on site they remain in a permanent position. Although the units can be moved from site to site they are not portable in nature.

5. The individual toilets within the blocks have many of the characteristics of the smaller portable toilets of the type used temporarily at building sites, sporting events etc., which were decided in Taxation Ruling No ST 2351 to be covered by item 15 in the Third Schedule, taxable at 10%. The ablution blocks under consideration here, however, are much larger and when placed on site remain in one position. They cannot be moved like the smaller portable units.

6. Examples of larger ablution units are :-

- . A toilet block 9.6m x 3m housing 10 toilets, 10 hand basins and 4 fluorescent lights;
- . A toilet block 12.0m x 3m housing 7 toilets, 7 showers, 10 hand basins/mirrors, 2 electric hot water units and 4 fluorescent lights;
- . A toilet block 2.4m x 2.4m housing 1 toilet, 1 shower, 1 hand basin/mirror, 1 electric hot water unit and 1 fluorescent light.

These units are often connected directly to permanent water and sewerage pipes.

7. The second kind of toilet unit is cylindrical in shape with side wall, door and roof manufactured from galvanized roofing iron. Each unit incorporates a toilet pan and seat, toilet roll holder, wash basin, cistern for holding water, piping and a foot operated tap.

8. These cylindrical units are suitable for three types of sewage disposal viz:

- . septic systems - this is a common installation in country areas, the unit being sited near the septic tank and connected to it by a sewer pipe.
- . sewer system - the unit is connected to a normal sewerage system installed by a Council or Water Board Authority.
- . "hole in the ground" - again, a common installation in country areas; the unit is sited over a deep hole in the ground in which sewage collects and is eventually broken down by bacterial action.

9. The unit, which weighs approximately 50kg, is fabricated and assembled in a factory. It is then attached (on site) by bolts to a concrete pad measuring 2m x 1.2m x 100mm thick, weighing approximately 800kg.

10. The unit is delivered to the customer's premises by truck. It is positioned by crane and connected permanently or for an indefinite time to the sewerage disposal system. Local councils regard them as buildings and a building permit is usually required to install them.

RULING

11. The classification of large combination ablution blocks is different from that of the portable toilet units covered in ST 2351. Because of the size of the blocks, their configuration and usage in one position on premises for long periods, they have an identity as pre-fabricated buildings and section 6A applies to them.

12. The smaller cylindrical shaped toilet units which are installed permanently are also covered by section 6A.

13. The above pre-fabricated toilet units are taxable at the rate of 20%. However, by the operation of section 6A tax is payable only on the sale value of any taxable components

incorporated in them. Taxable components include the toilet pan and seat, cistern, wash basin and toilet roll holder.

COMMISSIONER OF TAXATION

12 November 1987