


# ***ST 2389 - SALES TAX : SCISSORS***

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TAXATION RULING NO. ST 2389

SALES TAX : SCISSORS

F.O.I. EMBARGO: May be released

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F.O.I. INDEX DETAIL

| REFERENCE NO: | SUBJECT REFS: | LEGISLAT. REFS:   |
|---------------|---------------|---|
| I 1019700     | SCISSORS      | SALES TAX (EXEMPTIONS<br>AND CLASSIFICATIONS)<br>ACT; ITEM 1, THIRD<br>SCHEDULE |

PREAMBLE In the past scissors have been classified by this Office under various items in the Sales Tax (Exemptions and Classifications) Act with their possible classification ranging from exempt under an item in the First Schedule to taxable at either the Second or Third Schedule rate. Where not covered by an item in any Schedule they have been taxable at the general rate, presently 20%.

2. In particular, paragraph (d) of item 1 in the Third Schedule taxes at 10% cutlery of a kind ordinarily used for household purposes. It has been accepted that the term cutlery covers scissors.

FACTS 3. A recent survey of the types of scissors currently marketed indicates that most types are used for household purposes to some extent, even the types that may have previously been classified as industrial hand tools, such as hairdressers', tailors' and dressmakers' scissors.

4. It was found that all types of scissors with an overall length of up to and including 25 centimetres, irrespective of bow size, are sold for use to some extent in the house, including the types referred to in the previous paragraph. Types of longer dimensions have been shown to be used for heavy duty industrial work and not ordinarily for household use.

RULING 5. Scissors specifically covered by an item in another Schedule will continue to be covered by that item, e.g. surgical scissors are exempt under item 41 in the First Schedule; scissors which are for use primarily and principally in the business of manufacturing goods may be exempt under item 113ABC in the First Schedule as aids to manufacture.

6. All other scissors with an overall length of up to and including 25 centimetres are covered by item 1(d), Third Schedule, and taxable at 10%. Scissors with an overall length of over 25 centimetres are not covered by this item and are taxable at 20% unless they are for use in circumstances where they qualify for exemption as an aid to manufacture.

COMMISSIONER OF TAXATION

4 February 1988