


ST 2446 - SALES TAX : MULTIPURPOSE KNIVES

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TAXATION RULING NO. ST 2446

SALES TAX : MULTIPURPOSE KNIVES

F.O.I. EMBARGO: May be Released

REF N.O. REF: 88/5396-7 DATE OF EFFECT: Immediate

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

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1211460	KNIFE, MULTIPURPOSE RETRACTABLE BLADE KNIFE	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 1, THIRD SCHEDULE

PREAMBLE This Ruling considers the classification of a multipurpose knife. In Taxation Ruling No. ST 2382 the classification of household and heavy duty knives was considered.

2. The question at issue is whether the multipurpose knife is covered by item 1 in the Third Schedule which taxes household knives at the rate of 10% or whether the multipurpose knife is not of the household kind and taxable at 20%.

FACTS 3. The knife is a general multipurpose staysharp knife which is designed for use in the household, workshop, for do-it-yourself jobs and any type of craft needs. It has a retractable blade which is exposed by pressing a button on the handle of the knife and operating a lever which is subsequently locked to fix the blade in position. The knife is designed to be self-sharpening with the actual self-sharpening occurring when the cutting blade is retracted by operating the lever without pressing the button. The system allows the blade to be sharpened right to the tip of the blade. A further feature of the knife is the safety design as the cutting blade may be concealed when not in use.

RULING 4. Although the knife may be used for some household activities, it is designed to be used in a wide range of situations. It is akin to general purpose knives like pocket knives and Swiss army knives referred to in paragraph 5 of Taxation Ruling No. ST 2382. The household use of the knife is not sufficient to bring it within item 1, Third Schedule. The multipurpose knife is taxable at the general rate of 20%.

COMMISSIONER OF TAXATION
10 November 1988