


ST 2127 - SALES TAX: METAL HOUSEHOLD SHELVING SYSTEMS

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TAXATION RULING NO. ST 2127

SALES TAX: METAL HOUSEHOLD SHELVING SYSTEMS

F.O.I. EMBARGO: May be released

REF H.O. REF: 84/5216-4 DATE OF EFFECT: 24 May 1985

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F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1187126	HOUSEHOLD SHELVING SYSTEMS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT, ITEMS 1 AND 2 THIRD SCHEDULE

PREAMBLE Metal household shelving systems consist of colorbonded steel shelving, colorbonded steel bracing strips, colorbonded slotted steel angles, small gutter bolts and nuts and plastic angle caps. They are of a different quality than similar products marketed for business or industrial use. They are of a lighter gauge and smaller dimensions.

2. The household shelving systems are sold in kit form for convenience of handling and marketing. When assembled by the purchaser they form shelf units which are available in a household size such as 1700mm x 870mm x 300mm.

3. Metal household shelving systems are marketed for use in bedrooms, kitchens, laundries, family/living rooms, garages/workshops and verandahs/patios. They are sold through hardware stores and the hardware section of other retail stores. They are used substantially and regularly in household areas.

RULING 4. It is accepted that metal household shelving systems marketed for household use and sold through hardware stores or the hardware sections of other retail stores, when assembled, are goods of a kind ordinarily used for household purposes within the meaning of item 1 in the Third Schedule to the Sales Tax (Exemptions and Classifications) Act. They are "furniture" for the purposes of paragraph (a) of that item.

5. Although the shelving systems are marketed in kit form, the component parts have been specifically designed and produced to form part of a shelving system. The parts have a specific identity as part of a household shelving system. So also do the small 1cm long steel bolts supplied to fasten the component parts together. The small bolts are necessary to avoid dangerous protrusions.

6. Because the component parts of the household shelving system are designed and marketed for a specific purpose, all the parts including the bolts and nuts are considered to be parts of a household shelving system and covered by item 2, Third Schedule. The complete kit is therefore taxable at the rate applicable to Third Schedule goods, currently 7.5%.

COMMISSIONER OF TAXATION
20 June 1985