

ST 2255 - SALES TAX : FIREPLACES, SPACE HEATERS AND FLUE KITS

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TAXATION RULING NO. ST 2255

SALES TAX : FIREPLACES, SPACE HEATERS AND FLUE KITS

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F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1206312	FIREPLACES FLUE KITS SPACE HEATERS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEMS 82, 82A, 84 AND 85 FIRST SCHEDULE; ITEMS 1 AND 2 THIRD SCHEDULE

PREAMBLE

Prior to 20 September 1985 fire grates and fire places of a kind exclusively or primarily and principally installed as fixtures in houses were exempt from sales tax under sub-item 90B(2), First Schedule. The item was repealed with effect from 20 September 1985. On and after that date sub-item 1(jb) in the Third Schedule operates to tax fire grates and fire places at 10%.

2. Clauses 22 and 43 of the Explanatory Memorandum circulated with the Sales Tax (Exemptions and Classifications) Amendment Bill 1985 make it clear that it was the Government's intention in repealing sub-item 90B(2), and inserting sub-item 1(jb), that fire grates and fire places installed in houses were to be taxed at the rate of 10%.

3. Sub-item 1(ga) in the Third Schedule refers to space heaters, radiators and other appliances for room heating. Item 2 in the Third Schedule relates to parts, fittings and accessories for any goods covered by item 1. The effect of sub-items 1(ga), 1(jb) and item 2 in the Third Schedule is that all household heating appliances and parts, fittings and accessories therefore are taxable at 10%.

4. There are two other provisions which require consideration in determining sales tax liability for fireplaces, etc. Sub-item 82A(1), First Schedule, operates to exempt from sales tax piping or tubing of a kind used exclusively, or primarily and principally, in the construction or repair of, and wrought into, or attached to, so as to form part of, buildings, fixtures, structures or other works.

5. Sub-item 84(1), First Schedule, operates to exempt from sales tax metal building materials (including girders, rods, bars, wire, sheets, mesh, lathing and fabricated units composed of any of those goods, and attachments for such units) for use in the construction or repair of, and to be wrought into, or attached to, so as to form part of, buildings or other fixtures.

FACTS

6. Domestic heating appliances are normally used in one of two ways, i.e. they may be free standing or they may be affixed to walls or incorporated into fireplaces which are part of the building structure. Space heaters and pot belly stoves are examples of a free standing use. There is a range of fireplace inserts and fireboxes which are designed for installation in existing fireplaces.

7. Flues for fireplaces and space heaters are sold in kit form. The basic component of flue kits is the flue pipe. Other components include shield attachments to be placed between the flue and combustible walls, outer flues (often decorative) used as a surround for the basic flue, ceiling trims, cowls for the top of the flue pipes, dampers to control air flow and converters to facilitate attachment of round flue pipes to oval shaped fireplace outlets.

RULING

8. Free standing fireplaces, space heaters and fireplace inserts and fireboxes sold as complete units are taxable at 10% under item 1, Third Schedule.

9. A fireplace constructed as part of a building does not of itself attract sales tax. Sales tax is payable, however, on any taxable components or materials used in the construction of the fireplace.

10. Parts, fittings or accessories for fireplaces, such as fireplace doors, fireboxes, smoke gathers, log retainers and ash pans are taxable at 10% under item 2, Third Schedule. Bricks, mortar, lintels and roof flashing used in the construction of the fireplace are exempt under sub-items 82(1), 82(3), 84(1) and 85(6), First Schedule respectively.

11. Flue pipes in flue kits do not generally comprise piping or tubing of a kind covered by sub-item 82A(1), First Schedule. They are cut to length and usually sold in sections which have been shaped or otherwise altered to facilitate joining of the sections and often include dampers, vents, etc. Flue pipes are not sold as piping or tubing but as flues or components of flue kits. Flue components, including flue pipes, are taxable at 10% under item 2, Third Schedule.

COMMISSIONER OF TAXATION
11 June 1986

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