

ST 2378 - RUBBER GASKETS USED IN THE CONSTRUCTION INDUSTRY

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TAXATION RULING NO. ST 2378

RUBBER GASKETS USED IN THE CONSTRUCTION INDUSTRY

F.O.I. EMBARGO May be released

REF N.O. REF: 87/8503-1 DATE OF EFFECT: Immediate

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

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1010203	SEALANTS FOR BUILDINGS	SALES TAX
	CAULKING OF JOINTS	(EXEMPTIONS AND
	LININGS USED IN BUILDINGS	CLASSIFICATIONS)
		ACT; ITEM 83,
		FIRST SCHEDULE

PREAMBLE 1. Sub-item 83(2)(c), First Schedule, provides exemption from sales tax for linings of any composition which are of a kind used exclusively or principally:-

. in construction and repair of; and

. are wrought into or attached to so as to form part of,

buildings or other fixtures. Certain goods specified in item 83 which are excluded from exemption are not relevant to this Ruling.

2. The classification of a synthetic rubber gasket product was recently considered.

FACTS 3. The gasket is manufactured in a flexible strip from a durable synthetic rubber and is suitable for sealing all types of construction and expansion joints in channels, tanks, reservoirs, bridges, roads, culverts, floors and walls. It consists in cross-section of a hollow section, 16mm to 83mm in width and 16mm to 60mm in depth, which is terminated by individual shouldered lips. The hollow sectioned gasket is easily compressed and when used with adhesive, ensures close contact is maintained between adjoining surfaces such as concrete, steel or wood. This ensures complete sealing of the joint.

4. The construction industry is the principal user of the gasket. It is used mainly as a sealant for joints between panels of concrete and metal cladding on multi-storey buildings and factories. The gasket is started into the joint by hand and then punched to the correct depth using a hammer and flat piece of wood as a caulking tool. An adhesive is used to coat the two sides of the joint to ensure a bond with the gasket and to fill any irregularities in the surface of the joint.

RULING 5. The synthetic rubber gasket is a lining of a kind used principally in the construction and repair of buildings and other fixtures and is wrought into so as to become part of the fabric of buildings or fixtures. It is unconditionally exempt from sales tax under sub-item 83(2)(c) in the First Schedule.

COMMISSIONER OF TAXATION
3 December 1987

