

# ***ST 2448 - SALES TAX WHITEBOARDS, CHALKBOARDS, DIRECTORY BOARDS AND HONOUR BOARDS***

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TAXATION RULING NO. ST 2448

SALES TAX WHITEBOARDS, CHALKBOARDS,  
DIRECTORY BOARDS AND HONOUR BOARDS

F.O.I. EMBARGO: May be released

REF N.O. REF: 86/9975-5 DATE OF EFFECT: Immediate

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F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1211510	BUILDERS HARDWARE WHITEBOARDS CHALKBOARDS DIRECTORY BOARDS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEMS 66A AND 84, FIRST SCHEDULE

PREAMBLE This Ruling considers the sales tax classification of whiteboards, chalkboards, directory boards and honour boards.

2. Subitem 66A(3) in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempts honour boards on which are inscribed, or are to be inscribed, the names of persons who have served in the Defence Force or in any other armed forces of Her Majesty. Apart from subitem 66A(3), there is no other item in the Act that refers specifically to whiteboards, chalkboards, notice boards, directory boards and honour boards.

3. Subitem 84(2) in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempts from sales tax builders' hardware being goods of a kind used in the construction or repair of, and wrought into or attached to so as to form part of, buildings or other fixtures. Because some chalkboards and directory boards are installed at the time of construction of buildings the question has been raised whether these and the other kinds of boards referred to in this Ruling qualify for exemption under subitem 84(2).

FACTS 4. Chalkboards are large wooden boards, or the like, painted black, and used in schools and other places of learning to draw or write upon with chalk.

5. Whiteboards are similar products to chalkboards but are generally magnetic write-on, wipe off porcelain enamelled steel boards. They are ordinarily written upon with marker pens which are easily erased.

6. Directory Boards may be of several different varieties including a wooden or metal display case with the front of the case enclosed in glass, basic framed boards without glass and plastic or aluminium boards without glass. All are generally designed to accept changeable letters and number systems.

7. Honour Boards are used in bowling and other sports clubs, R.S.L. clubs and the like to highlight the names of people who have excelled in certain fields of endeavour. Honour boards are

also erected to commemorate those who served in the various Defence Forces. Names are generally added to honour boards by signwriting so as to remain permanently thereon.

8. In each case the boards described in this Ruling are produced as separate goods with their own identity. The form of the boards can vary. Some boards are produced in free standing models, generally affixed to a frame with castors to enable the boards to be easily moved around. Whiteboards are often produced in this form. Other boards are framed with small metal fittings attached for fixing to a wall with screws or other fixing devices. Sometimes the boards may have holes drilled in the frames for fixing. Some boards may be designed to be hung from a wall or to sit on an easel.

RULING

9. To qualify for exemption under subitem 84(2), First Schedule, goods must be builders' hardware of a kind used in the construction or repair of, and wrought into or attached to so as to form part of, buildings or other fixtures. The term "hardware" is not defined in the law and the ordinary meaning of hardware is "small ware or goods of metal; ironmongery". Subitem 84(2) also includes a number of specific goods which are consistent with the ordinary meaning of hardware. Examples of the goods specifically included in subitem 84(2) are bolts, brackets, catches, door handles, hinges, hooks, locks, name plates, rivets and staples.

10. The interpretation of subitem 84(2) has also been considered by the High Court in the case of *The Deputy Commissioner, Victoria v Academy Plastics Pty Ltd* (unreported). The decision in that case was handed down on 26 March 1956 and involved the classification of a small plastic towel rail. The principles that emerged from that case are that builders' hardware ordinarily are articles that would be specified by builders in building contracts and that the screwing or affixing of an article to the wall of a building does not mean that the article is wrought into the building to form part of it.

11. None of the boards described in this Ruling are considered to come within the description of builders' hardware. The boards could not be described as hardware nor are they ordinarily sold through builders' suppliers. They are not regularly installed by builders. Further, where the boards are affixed to a building the degree of annexation is insufficient to say that the boards are wrought into or attached to so as to form part of buildings. Rather the boards are affixed to make it more convenient to use them. It is a simple matter to terminate the attachment of the boards if it becomes necessary to shift them.

12. The boards in question are not builders' hardware and therefore they do not qualify for exemption under subitem 84(2), First Schedule. With the exception of honour boards of the kind specifically exempted by subitem 66A(3), whiteboards, chalkboards, directory boards and other honour boards are taxable at the rate of 20%.

13. The published exempt ruling for "Metal directory boards fixed in buildings, consisting of a metal frame with blank spaces for insertion of names" which appears at page 412 of the *Sales Tax Exemptions and Classifications* publication will be

withdrawn.

14. While chalkboards are taxable, many of them are sold for use by non-profit schools which are entitled to claim sales tax exemption on goods purchased for their own use. Exemption applies under item 63A, First Schedule, which exempts goods for use and not for sale by non-profit schools and universities.

COMMISSIONER OF TAXATION  
8 December 1988