

## ***Second-hand goods -***

⚠ This cover sheet is provided for information only. It does not form part of *Second-hand goods -*

⚠ This publication is extracted from the Charities Consultative Committee - issues register. See question 6 of Part 6 of that register. This publication should be read in conjunction with the related content of that register where further context is required.



## Charities Consultative Committee

### Second-hand goods

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This publication (excluding appendixes) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

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If you rely on this ruling, the Commissioner must apply the law to you in the way set out in the ruling (unless the Commissioner is satisfied that the ruling is incorrect and disadvantages you, in which case the law may be applied to you in a way that is more favourable for you – provided the Commissioner is not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

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**Where an endorsed charity receives donated second hand clothing, removes the buttons and/or lace, and sells them, do the buttons and lace retain their original character?**

1. Yes. The character of a button (even when attached to clothing) is to operate as a fastener. Merely separating the buttons from the clothing does not change this character. Similarly, the character of lace is to serve as decoration. The removal of lace from clothing does not change this character. Accordingly, the sale of buttons and lace obtained from second hand clothing in this manner would be GST-free.