

# ***ST 2120 - SALES TAX : GLASS DISPLAY DOORS FOR COOLROOMS AND FREEZER ROOMS AND INSERTS FOR COOLROOMS***

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TAXATION RULING NO. ST 2120

SALES TAX : GLASS DISPLAY DOORS FOR COOLROOMS AND  
FREEZER ROOMS AND INSERTS FOR COOLROOMS

F.O.I. EMBARGO: May be released

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F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1174811	GLASS DISPLAY DOORS - COOLROOMS AND FREEZER ROOMS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT, SECTION 6A, ITEM 84, FIRST SCHEDULE

PREAMBLE Sub-item 84(1) in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempts metal building materials (including certain units fabricated from metal rods, bars, sheets, etc.) 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.

2. Sub-item 84(2), exempts, inter alia, 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.

3. By section 6A of that Act, sales tax is not payable on so much of the sale value of any pre-fabricated building or pre-fabricated building section which is made of timber, metal, fibro-cement or any other materials or combinations as exceeds the amount which, in the Commissioner's opinion, would have been the sale value of the taxable goods (if any) incorporated in the building or section if the transaction, act or operation in relation to the sale value of the building or section had been in relation to the taxable goods only.

4. Whether any of these provisions applies to glass display doors affixed to coolrooms and freezer rooms and to inserts for coolrooms has been considered by this office.

FACTS 5. Glass display doors fitted to coolrooms are double-glazed, metal-framed doors designed to allow maximum display of, and easy access to, goods stored under coolroom refrigeration. Glass display doors incorporated in freezer rooms differ from glass display doors for coolrooms only in that the former are triple-glazed and have heating elements in the outside glass area and around the door surrounds to prevent fogging or frosting of the glass and icing around the doors. The doors measure, on average, 1676 mm high by 536 mm wide.

6. The coolrooms and freezer rooms may be constructed either at the time of the erection of a building so as to form

part of the fabric of the building or installed in situ from metal sandwich insulating panels or pre-fabricated wall and roof sections as fixtures within an existing building. The latter type of coolroom/freezer room is securely fixed to the floor of a building in many instances making use of the floor of the building as the coolroom/freezer room floor. Some of the coolrooms/freezer rooms are also permanently attached to the ceiling of the building. Both types are invariably much larger installations than, and are readily distinguishable from, free-standing refrigerated display cabinets and commercial refrigerators.

7. Coolroom and freezer room glass display doors are used in substantial quantities in the construction of new coolrooms and freezer rooms and also in the conversion of existing coolrooms to display coolrooms. They are also understood to be frequently used in the manufacture of free-standing refrigerated merchandise cabinets.

8. Inserts for coolrooms are units manufactured in factories and are of two basic types, namely:-

- (a) Those consisting of a metal (commonly aluminium or stainless steel) perimeter frame for one or more display or serving doors or display panels which may or may not have glass display doors, metal serving doors or glass display panels attached to the frame; and
- (b) Those having the features mentioned in (a) above but which also incorporate display doors, serving doors or display panels and a metal "cage" or cabinet (not insulated) fixed to the inside of the door frame, shelving strips, shelving (fixed or removable) and lighting.

9. A coolroom insert becomes a part of the coolroom. It may be manufactured to fit an opening provided for in the erection of a wall of a new coolroom or may fit an opening cut into the wall of an existing coolroom. They are designed to allow for access to, or display of, goods stored under coolroom refrigeration. In the case of coolroom inserts of the second type mentioned above, where the coolroom wall is not thick enough to provide a resting base for the metal cage, angle iron or metal rods are used to permanently attach it to the inside roof or floor of the coolroom. Where the coolroom wall is wide enough, the cage is cement rendered into the wall. Cold air from the coolroom passes through the metal cage to maintain the goods being stored in a refrigerated condition.

RULING

10. The glass display doors are accepted as being 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 and are exempt from sales tax under sub-item 84(2).

11. Because the exemption provided by sub-item 84(2) is unconditional, glass display doors used in the repair or renovation of existing free-standing refrigerated merchandise cabinets - which are of the same class or kind of doors as those incorporated in coolrooms and freezer rooms - qualify for

exemption under the sub-item. They may also be obtained free of sales tax by a cabinet manufacturer. In this situation, however, the doors will become part of separate items of goods, i.e. manufactured cabinets, which are subject to tax at the general rate of 20%.

12. Inserts for coolrooms of the type described in sub-paragraph 8(a) above which are to be incorporated into coolrooms are also accepted as being builders' hardware of a kind used in the construction or repair of, and to be wrought into, or attached to, so as to form part of, buildings or other fixtures. They are exempt from sales tax under sub-item 84(2).

13. Coolroom inserts of the type described in sub-paragraph 8(b) above, i.e., those manufactured with a metal cage, lighting, shelving, etc., attached, are considered not to be builders' hardware for the purposes of sub-item 84(2). However, section 6A in the Sales Tax (Exemptions and Classifications) Act will apply to coolroom inserts of this type. This has the effect of confining the tax payable to that applicable to the sale value of the taxable goods incorporated in the coolroom insert. Consequently, the sale value of the metal perimeter framework, glass display doors, glass display panels, etc., will be free from tax while the sale value of component parts such as shelving, lighting, etc., will be taxed.

COMMISSIONER OF TAXATION  
11 April 1985

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