

ST 2139 - SALES TAX: SUMP OIL HEATERS



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TAXATION RULING NO. ST 2139

SALES TAX: SUMP OIL HEATERS

F.O.I. EMBARGO: May be released

REF H.O. REF: 84/2542-6 DATE OF EFFECT: Immediate
B.O. REF: MELB: 6/SB/SC17/32800 DATE ORIG. MEMO ISSUED: 4 Mar 1985

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1193187	SUMP OIL HEATERS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT. ITEM 1, THIRD SCHEDULE.

PREAMBLE Item 1 in the Third Schedule taxes at the rate of 7.5% certain specified types of goods of a kind ordinarily used for household purposes, including radiators and other room heaters and appliances for use in room heating whether operated by electricity or by gas, kerosene or other fuel.

FACTS 2. Sump Oil Heaters are designed to burn sump and other drain oils such as automatic transmission, gear and hydraulic oils. They are promoted predominantly for use in commercial premises, particularly in commercial garages where there is a continuous, free supply of sump and other drain oils. A review of sales established that almost all of the heaters sold were purchased for use in the automotive industry and most of the remainder were purchased for use by other commercial firms. There was no indication of any purchases of these heaters for household use nor are there any similar kinds of heater on the market that are sold for domestic use.

RULING 3. The general appearance of the Sump Oil Heaters and their method of operation and use characterises them as heaters of a kind ordinarily used for commercial purposes and not for household purposes.
4. Accordingly, Sump Oil Heaters are not covered by item 1 in the Third Schedule and are taxable at the general rate of 20%.

COMMISSIONER OF TAXATION

15 July 1985

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