

ST 2234 - SALES TAX : MOTOR VEHICLES FOR USE IN THE AGRICULTURAL INDUSTRY

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TAXATION RULING NO. ST 2234

SALES TAX : MOTOR VEHICLES FOR USE IN THE AGRICULTURAL
INDUSTRY

F.O.I. EMBARGO: May be released

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MOTOR VEHICLES FOR
USE IN AGRICULTURAL
INDUSTRY

SALES TAX (EXEMPTIONS
AND CLASSIFICATIONS)
ACT; ITEM 13, FIRST
SCHEDULE.

OTHER RULINGS ON TOPIC : ST 2031

PREAMBLE

Sub - item 13(1) in the First Schedule to the Sales Tax (Exemptions and Classifications) Act exempts machinery, implements and apparatus, n.e.i., (and parts therefor), for use in agricultural industry if, in the opinion of the Commissioner, they are goods of a kind used exclusively, or primarily and principally, in that industry.

2. Item 1, Fourth Schedule, operates to tax at 20% motor vehicles of a kind ordinarily used for commercial purposes, including prime movers and semi-trailers for attachment to prime movers, but not including -

- a) motor cycles, auto cycles or motor scooters;
- b) tractors;
- c) motor vehicles covered by an item in the Fifth Schedule; or
- d) motor vehicles to which, in the absence of this item, sub-item (1) of item 13 in the First Schedule would apply.

3. Item 1, Fifth Schedule, operates to tax at 20% motor cars designed primarily and principally for the transport of persons, including sedans, coupes, tourers, roadsters, racing cars, taxi cars, station waggons, estate cars and vehicles similar in design to station waggons or estate cars, but not including panel vans, delivery vans, utilities, ambulances, hearses, jeeps, trucks, lorries or motor buses. Item 2, Fifth Schedule, relates to motor vehicles that are so constructed as to be capable of being readily converted (whether with or without the addition of seats or other fittings) into sedans, station waggons, estate cars or vehicles similar in design to station waggons or estate cars.

4. The letters "n.e.i." appearing in sub-item 13(1), First Schedule, are defined in sub-clause 1(1) in the First Schedule. "N.e.i." means not covered by any other item or sub-item in the

First Schedule or by any item or sub-item in any other Schedule to the Sales Tax (Exemptions and Classifications) Act. This means that exemption under sub-item 13(1) cannot apply to goods that are specified in any item in the Schedules to the Act. For example, four-wheel drive station waggon are widely used in agricultural industry. Because station waggons are specified in item 1, Fifth Schedule, however, they cannot qualify for exemption under sub-item 13(1), First Schedule, even where they are used principally in agricultural industry. The same applies to the other kinds of vehicles mentioned in items 1 and 2 of the Fifth Schedule. Vehicles of the kind covered by item 1, Fourth Schedule, may qualify for exemption under sub-section 13(1), however, because of the operation of excluding paragraph (d).

5. To qualify for exemption under sub-item 13(1), First Schedule a vehicle must not be specified in any other item of the Act, it must be of a kind that is used exclusively or principally in agricultural industry and it must be purchased for actual use in agricultural industry. Apart from the fact that they come within item 1, Fifth Schedule, most two wheel drive vehicles including utilities and tray body vehicles are principally sold for use by persons not in agricultural industry. The same applies to two wheel drive trucks. There are, however, certain models of four-wheel drive motor vehicles which are used primarily and principally in agricultural industry. Their specifications characterise them as especially suitable for use in rough terrain for agricultural uses e.g. rounding up sheep or cattle, travelling to repair fences, transporting animals, agricultural machinery, equipment and apparatus. There are also certain models of six and eight wheel drive motor vehicles which satisfy the requirements of sub-item 13(1).

RULING

6. Attached as Appendix A is a list of motor vehicles that have been accepted as qualifying for conditional exemption under sub-item 13(1) when purchased for use in agricultural industry.

7. Conditional exemption for some motor vehicles has been granted for a trial period because sales patterns so far have not established that the vehicles are used exclusively, or primarily and principally, in agricultural industry. At the end of the trial period sales of the particular vehicles will be reviewed and a decision made as to whether exemption under sub-item 13(1), First Schedule, should continue. The vehicles are listed in Appendix B.

8. Exemption under sub-item 13(1) is not limited to persons engaged in a business of agriculture, i.e. primary producers. It is expressed to apply to goods for use primarily and principally in agricultural industry. This means that exemption under the sub-item is available to contractors engaged in harvesting, crop dusting, fertilizer spreading, agricultural fencing, droving and shearing in respect of motor vehicles specified in Appendices A & B where the vehicles are purchased for use primarily and principally in work directly related to agricultural activities. On the other hand, exemption under sub-item 13(1) would not extend to other contractors including house and shed builders, bore sinkers, pest exterminators and windmill contractors.

9. In claiming exemption on a motor vehicle it is

necessary, as with all claims for conditional exemption, that a certificate of conditional exemption in an approved form be furnished by the claimant for exemption to the vendor of the vehicle. With motor vehicles there is a further requirement that the certificate claiming exemption on the vehicle be submitted for approval of exemption to the Taxation Office. Details of the form of certificate and the information that is required to support a claim for exemption on a motor vehicle under sub-item 13(1), First Schedule, may be obtained from the local branch of the Taxation Office.

COMMISSIONER OF TAXATION
9 May 1986

APPENDIX

APPENDIX A

FOUR, SIX AND EIGHT WHEEL DRIVE VEHICLES THAT QUALIFY
FOR CONDITIONAL EXEMPTION UNDER SUB-ITEM 13(1)
IN THE FIRST SCHEDULE TO THE SALES TAX (EXEMPTIONS AND
CLASSIFICATIONS) ACT WHEN PURCHASED FOR USE IN
AGRICULTURAL INDUSTRY

DAIHATSU :

F 75V	4WD Jeep type vehicle (diesel)
F 85V	4WD Jeep type vehicle (petrol)
F 70	4WD Jeep type vehicle with soft top
F 70V	4WD Jeep type vehicle with hard top
F 80	4WD Jeep type vehicle with soft top
F 80V	4WD Jeep type vehicle with hard top
S 76D	4WD Pick-up with tipper action
S 76TC	4WD Pick-up with locally manufactured body
S 76T	4WD Pick-up with imported body

FORD :

F 100	4WD Utility
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GENERAL MOTORS HOLDEN :

Rodeo

8DP07	Cab chassis, 2lt petrol, LWB, bench vinyl trim, 5 speed
8DM07	Cab chassis, 2.3lt petrol, SWB, bucket/knit vinyl trim, 5 speed
8DK07LQ7	Cab chassis, 2.2lt diesel, SWB, bench/vinyl trim, 5 speed
8DP07LQ7	Cab chassis, 2.2lt diesel, LWB, bench/vinyl trim, 5 speed
8DL14	LS Utility, 2.3lt petrol, SWB, bucket/tweed fabric trim, 5 speed
8DM14	Utility, 2.3lt petrol, SWB, bucket/knit vinyl trim, 5 speed
8DK14LQ7	Utility, 2.2lt diesel, SWB, bench/vinyl trim, 5 speed

Drover

8QS16	2 Seat 4WD Hardtop
8QS80	2 Seat 4WD Pick-up
8QS60	2 Seat 4WD Cab/Chassis (subject to the fitting of an approved body type)
8QS26	2 Seat 4WD Half door, soft top.

HUSTLER :
SIX WHEEL DRIVE All terrain vehicle

LEYLAND :
Land Rover One Ten 3.9 Diesel Chassis Cab with Flat Platform
Land Rover One Ten 3.9 Diesel Chassis Cab with Tray Top
Land Rover One Ten 3.9 Diesel Chassis Cab with Wooden Drop Sides
Land Rover One Ten 3.9 Diesel Chassis Cab with Flat-top Drop
Sides
Land Rover One Ten 3.9 Diesel Chassis Cab with Wooden Tray
Land Rover One Ten 3.9 Diesel Chassis Cab with Tray Body and
Platform Stake 2.
Land Rover One Ten 3.9 Diesel Chassis Cab with Cabin and Tray
Land Rover One Ten 3.9 Diesel Chassis Cab subject to fitting of
approved body type
Land Rover One Ten 3.5 Petrol Hard Top
Land Rover One Ten 3.9 Diesel Hard Top

MITSUBISHI :
MD 3F 27 Petrol utility one tonne
MD 5F 27 Diesel utility one tonne
MD 3F 20 Petrol cab/chassis one tonne
MD 5F 20 Diesel cab/chassis one tonne

NISSAN :
Patrol 160 Series
UG 160 GFM 3 Seat petrol pick-up
UG 160 GFMA 3 Seat petrol cab/chassis
UG 160 GFMAP 3 Seat petrol cab/chassis with power steering
UG 160 GFMP 3 Seat petrol pick-up with power steering
URG160 GFAM 3 Seat diesel cab/chassis
URG160 GFAMP 3 Seat diesel cab/chassis with power steering
URG160 GFM 3 Seat diesel pick-up
URG160 GFMP 3 Seat diesel pick-up with power steering
URG160 GFTM 3 Seat diesel pick-up turbo
URG160 GFTMA 3 Seat diesel cab/chassis turbo
URG160 GFTMAP 3 Seat diesel cab/chassis turbo with power
steering
URG160 GFTMP 3 Seat diesel pick-up turbo with power steering
65 ZKR 160 HFM 2 Seat diesel hardtop
65 ZKR 160 HFMP 2 Seat diesel hardtop with power steering
61 ZKM 160 GM 2 Seat petrol hardtop

Navara
NMD 21 FMAE single cab/chassis, petrol engine
NMD 21 FME single cab pick-up, petrol engine
JMD 21 FMABE single cab/chassis, diesel engine
JMD 21 FMBE single cab pick-up, diesel engine

PASQUALI :
910 Transporter

SIDEWINDER :
SIX WHEEL DRIVE All terrain vehicle

SUBARU :
4WD utility

SUZUKI SIERRA :
The following two seater models in the JA range:
SJ410Q Base Model, soft top, full door, standard wheels

SJ410RD Soft top, half door, wide wheels
 SJ410QD Soft top, full door, wide wheels
 SJ410WD Soft top, full door, LWB, wide wheels
 SJ410V Hard top, standard wheels
 SJ410VD Hard top, wide wheels
 SJ410K Factory steel tray body, standard wheels
 SJ410KD Factory steel tray body, wide wheels
 SJ413QD Soft top, full door, wide wheels
 SJ413VD Hard top, wide wheels
 SJ413WD Soft top, full door, LWB, wide wheels
 SJ413KRAN Factory steel tray body, standard wheels
 SJ413KRAND Factory steel tray body, wide wheels
 SJ410P Cab/chassis, fitted with an approved utility
 or tray top body, standard wheels
 SJ410PD Cab/chassis, fitted with an approved utility
 or tray top body, wide wheels
 SJ413PRAN Cab/chassis, fitted with an approved utility
 or tray top body, standard wheels
 SJ413PRAND Cab/chassis, fitted with an approved utility
 or tray top body, wide wheels

TOYOTA :

Landcruiser 4WD

FJ 75 RP-MRQ 3 Cab/chassis, Petrol
 HJ 75 RP-MRQ 3 Cab/chassis, Diesel
 HJ 75 RP-MRQ Pick-up, Diesel
 BJ 70 RV-MRQ Heavy Duty SWB Pick-up, Diesel
 FJ 70 RV-MRQ Heavy Duty SWB Pick-up, Petrol

Hi-Lux 4WD Class 65

LN 65 R-MRQ Utility
 LN 65 R-MRQ 3 Cab/chassis
 YN 67 R-MRQ One tonne 4WD utility
 YN 67 R-MRQ 3 One tonne 4WD Cab/chassis

MISCELLANEOUS :

ARGO 6 and ARGO 8 all terrain vehicles
 Carraro Tigrecar with demountable trailer

APPENDIX B

FOUR, SIX AND EIGHT WHEEL DRIVE VEHICLES TO WHICH CONDITIONAL
 EXEMPTION UNDER SUB-ITEM 13(1) IN THE FIRST SCHEDULE
 TO THE SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT
 HAS BEEN GRANTED FOR A TRIAL PERIOD

- . Amphi-Ranger 2800 SR 4WD Amphibian vehicle
- . Caron 540 Cab/chassis with table top body and tipper action
- . Mahindra CJ-3B 4WD short wheel base, soft top
- . Mercedes-Benz 300 GD LWB soft top pick-up
- . Unimog Cab/chassis with power take-off facilities and
 hydraulic system (described as K11, K12, K13, or K14
 hydraulics)