

ST 2373 - SALES TAX : SPEED HUMPS USED IN TRAFFIC SPEED CONTROL

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TAXATION RULING NO. ST 2373

SALES TAX : SPEED HUMPS USED IN TRAFFIC SPEED CONTROL

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 1010106 SPEED HUMPS SALES TAX (EXEMPTIONS
AND CLASSIFICATIONS)
ACT; ITEMS 82 AND 84,
FIRST SCHEDULE.

PREAMBLE Division 12 in the First Schedule to the Sales Tax
(Exemptions and Classifications) Act exempts from sales tax a
wide range of building materials.

2. The question has been raised whether speed humps qualify for
exemption from sales tax under items in Division 12.

FACTS 3. Speed humps are used to control traffic speed principally in
and around car parks and adjacent to major commercial
developments and public places.

4. Speed humps which have come under notice may be
pre-fabricated from rubber or steel or built up in situ using
asphalt or concrete.

5. The pre-fabricated units are bolted to the road or other
surface and, while they are intended to remain in position, may
be relocated if traffic patterns change. They are normally
pre-cut to individual order and can be butted together for
continuous runs. They can be adapted to allow for the passage of
different vehicles such as fork lift trucks or bikes.

6. Speed humps built up in situ are formed by cutting a channel
into the road or other surface and forming up the hump using
asphalt or concrete.

RULING 7. Sub-item 82(1) exempts structural or architectural building
units. Rubber speed humps are accepted to be structural or
architectural building units and exempt from sales tax under
sub-item 82(1).

8. Sub-item 84(1) exempts metal building materials (including
fabricated units) for use in the construction of, and to be
wrought into, or attached to, so as to form part of, fixtures.
Metal speed humps are accepted to be fabricated metal building
materials and where they are attached to roads or other fixtures
are exempt from sales tax under sub-item 84(1).

9. Speed humps built up in situ are not manufactured goods for
sales tax purposes. Where a speed hump is constructed in this
way tax is payable only on the value of the taxable materials
used in building up the speed hump. Most goods used in their

construction are, however, exempt from sales tax under items in the First Schedule to the Sales Tax (Exemptions and Classifications) Act. Asphalt and related products and concrete and related products are exempt under item 89A and item 89 First Schedule respectively, while gravel and sand are exempt under sub-item 82(2), First Schedule. Where taxable materials or goods are used in the construction of speed humps built up in situ they remain taxable.

COMMISSIONER OF TAXATION
26 November 1987