


# ***ST 2382 - SALES TAX : KNIVES***

 This cover sheet is provided for information only. It does not form part of *ST 2382 - SALES TAX : KNIVES*

This document has been Withdrawn.

There is a Withdrawal notice for this document.

TAXATION RULING NO. ST 2382

SALES TAX : KNIVES

F.O.I. EMBARGO: May be released

REF N.O. REF: 87/2252-8 DATE OF EFFECT: Immediate

B.O. REF: Melb 6/B/5 519 314 DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1010287	KNIVES	SALES TAX EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEM 1, THIRD SCHEDULE

PREAMBLE Before 20 August 1986, heavy duty knives used by butchers and professional chefs had been regarded as industrial hand tools covered by item 5(1) in the Third Schedule to the Sales Tax (Exemptions and Classifications) Act, taxable at 10%. On and from 20 August 1986, industrial hand tools were removed from the Third Schedule and became taxable at 20%.

2. Item 1 in the Third Schedule taxes at 10% goods of a kind ordinarily used for household purposes including cutlery (sub-item 1(d)).

FACTS 3. Although a distinction has previously been drawn between household knives and those used by butchers and professional chefs, (eg. the weight of the knives and the length of the steel shaft through the handle), it has become apparent that these heavy duty knives are now being marketed through retail outlets for domestic use.

RULING 4. The cutting up and preparation of food is a household activity and knives used for such purposes come within item 1 (d) of the Third Schedule as cutlery of a kind ordinarily used for household purposes. They are therefore taxable at 10%. This Ruling covers knives marketed as cooks' and chefs' knives, filleting, skinning and boning knives, butchers' knives and the like.

5. However, knives that are not of a kind ordinarily used for household purposes, such as hunting knives, pocket knives, pen knives and Swiss army knives, will remain taxable at the general rate of 20%.

COMMISSIONER OF TAXATION  
7 January 1988