


ST 2408 - SALES TAX : THREAD CLIPPERS, AID TO MANUFACTURE

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TAXATION RULING NO. ST 2408

SALES TAX : THREAD CLIPPERS, AID TO MANUFACTURE

F.O.I. EMBARGO: May be released

REF N.O. REF: 88/1525-9 DATE OF EFFECT: Immediate

B.O. REF: DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1183619	THREAD CLIPPERS SCISSORS	SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT; ITEMS 113 A, B AND C, FIRST SCHEDULE ITEM 1, THIRD SCHEDULE

OTHER RULING ON TOPIC: ST 2389

PREAMBLE This Ruling considers the classification of thread clippers.

2. Sub-item 1(d) in the Third Schedule taxes at 10% cutlery of a kind ordinarily used for household purposes and it has been accepted that the term cutlery covers scissors. Taxation Ruling No. ST 2389 dealt with the classification, for sales tax purposes, of scissors.

FACTS 3. The thread clippers are made of two blades, joined at the one end and consisting of a single bow. The clippers differ from scissors in that scissors have two bows, and a central pivot point.

4. In principle, the blades cut in the same way as scissors by drawing across each other. The clippers are spring loaded so as to be self opening, and simply require a closing pressure, with thumb and forefinger, to operate. Their compact and lightweight design reduces fatigue in the user and limits their application to certain tasks that are performed in the household such as cutting thread.

RULING 5. Although specifically designed for use in clipping thread, clippers are a form of scissors, carrying out a function that could also be performed by conventional scissors.

6. Thread clippers are covered by the term cutlery and as they are ordinarily used for household purposes they are covered by sub-item 1(d), Third Schedule and taxable at 10%. Thread clippers for use primarily and principally in the business of manufacturing goods may be exempt under items 113 A, B or C, First Schedule, as an aid to manufacture.

COMMISSIONER OF TAXATION
14 April 1988