

Decisions Under the Sales Tax Act 1932-33

THE following decisions in interpretation of the Sales Tax Act 1932-33 are published for public information:

NOTES—1. The exemptions referred to hereunder in Decision No. 9 are those appearing in the Second Schedule to the Sales Tax Exemption Order 1961 (S.R. 1961/171).

2. All previous decisions are hereby cancelled.

Decision No.	Decision
1	<p>The following persons need not be licensed under the Act:</p> <p>(1) A wholesaler who satisfies the Collector that the total sale value of taxable goods sold by him during the last financial year of his business did not exceed £500, and that the estimated value of the taxable goods likely to be sold by him during the current financial year is not expected to exceed that sum:</p> <p>Provided that this exemption shall not apply to any person unless he is the holder of a certificate of exemption for the time being in force issued to him by the Collector of Sales Tax upon application made in a form to be supplied by the Collector.</p> <p>(2) A person manufacturing taxable goods, not being a "contractor" referred to in section 3 of the Sales Tax Amendment Act 1933, who satisfies the Collector—</p> <p>(i) That the total sale value of the taxable goods manufactured by him during the preceding 12 months did not exceed £500, and that the estimated sale value of the taxable goods likely to be manufactured by him during the next ensuing 12 months is not expected to exceed that sum; or</p> <p>(ii) That the proportion of the selling price of the taxable goods manufactured by him during the preceding 12 months represented by his labour, overhead, and profit did not exceed £250, and that the proportion of the selling price of the taxable goods manufactured by him during the next ensuing 12 months is not expected to exceed that sum:</p> <p>Provided that this exemption shall not apply to any person unless he is the holder of a certificate of exemption for the time being in force issued to him by the Collector of Sales Tax upon application made in a form to be supplied by the Collector.</p> <p>For the purposes of the above decisions the sale of goods manufactured shall in all cases be deemed to be the fair market value of the goods as if they were sold to a retailer in the ordinary course of business, and not the sale value as ascertained or determined in accordance with the proviso to paragraph (b) of subsection (1) of section 13 of the Act.</p> <p>(3) A person manufacturing taxable goods, being a "contractor" as referred to in section 3 of the Sales Tax Amendment Act 1933, who satisfies the Collector that the total price charged for work done by him during the preceding 12 months did not exceed £250, and that the total estimated charge for work to be done by him during the next ensuing 12 months is not likely to exceed that sum, provided that this exemption shall not apply to any person unless he is the holder of a certificate of exemption for the time being in force issued to him by the Collector of Sales Tax upon application made in a form to be supplied by the Collector.</p> <p>(4) Persons engaged in the bona fide repair, alteration, or renovation of goods provided that they carry on such work only.</p> <p>For the purposes of this paragraph a person shall be deemed to be engaged in the bona fide repair, alteration, or renovation of goods if he manufactures parts of articles which require repair, alteration, or renovation, and incorporates such parts in those articles. In such cases sales tax shall be payable on the sale value of the taxable materials used in the manufacture of such parts and not on the sale value of those parts.</p> <p>For the purposes of this paragraph a person shall not be deemed to be engaged in the bona fide repair, alteration, or renovation of goods if he manufactures parts of articles which require repair, alteration, or renovation, and sells them to another person to be incorporated by that other person in such articles. Such parts of articles shall be liable to sales tax under paragraph (a) or (b) (as the case may be) of subsection (1) of section 11 of the Act.</p> <p>(5) Persons whose manufacturing operations consist only of one or more of the following:</p> <p>(a) The breaking down or reducing the strength of spirits.</p> <p>(b) The manufacture of ready-mixed concrete.</p> <p>(c) The manufacture of pre-cast concrete paving slabs, kerbs, edgings, and channellings for streets; concrete staves for tanks, troughs, and baths; concrete crib blocks; pre-cast concrete tunnel liners; pre-cast concrete road sumps.</p> <p>(d) The preparation of tarred metal, tarred screenings, and hot-mixed preparations of bitumen and metal for road making.</p> <p>(e) The undersealing of motor vehicles.</p> <p>(f) The duplicating of printed matter.</p> <p>(NOTES—(1) Duplicating does not include the work performed by offset printing machines.</p> <p>(2) Licensed wholesalers who prepare duplicated matter which would be taxable if printed, must pay tax on taxable materials (e.g., paper) used but will not be required to pay tax on the labour involved in preparing stencils and in operating the machines.)</p>