

Decisions under the Sales Tax Act 1932-33—Notice No. 56

1. The following decisions in interpretation of the Sales Tax Act 1932-33 are published for public information.
2. The decisions numbered 1 to 9 published as the "Supplement to the New Zealand Gazette of Thursday, 21 December 1961", No. 83, as subsequently amended, are hereby cancelled.

| Decision No. | Decision |
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| 1. | <p>The following persons need not be licensed under the Act:</p> <p>A. 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 \$1,000 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>B. 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 \$1,000 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 \$500 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 value 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 provisos to paragraph (b) of subsection (1) of section 13 of the Act.</p> <p>C. (i) 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 \$500 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:</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>(ii) A person being a "contractor" as referred to in section 3 of the Sales Tax Amendment Act 1933, who does work on taxable goods which are the property of a licensed wholesaler and which are for resale by the licensed wholesaler:</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>And provided also that any such certificate of exemption issued to the contractor will be applicable only to the above-mentioned work and not to any other taxable work done or to taxable goods sold.</p> <p>D. A person engaged in the bona fide repair, alteration, or renovation of second-hand goods which have been used in New Zealand, who carries on such work only.</p> <p>For the purposes of this decision a person shall be deemed to be engaged in the bona fide repair, alteration, or renovation of secondhand 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 decision a person shall not be deemed to be engaged in the bona fide repair, alteration, or renovation of secondhand goods if he manufactures parts of articles which require repair, alteration or renovation, and sells them to be incorporated by another person.</p> <p>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>E. A person whose manufacturing operations consist 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 precast concrete paving slabs, kerbs, edgings, and channellings for streets; concrete staves for tanks, troughs, and baths; concrete crib blocks; precast concrete tunnel liners; precast 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 building and fitting of bodies to commercial trucks and delivery vans, also the fabrication of body panels for such purposes, but excluding persons engaged in the assembly of motor vehicles.</p> <p>NOTES—(1) The building and fitting of bodies to commercial trucks and delivery vans includes the building and fitting of parts of bodies to these vehicles but not the mere fitting of accessories.</p> |