



THE SALES TAX EXEMPTION FROM LICENSING NOTICE 1979

PURSUANT to section 9 of the Sales Tax Act 1974, the Minister of Customs hereby gives the following notice.

NOTICE

1. Title and commencement—(1) This notice may be cited as the Sales Tax Exemption from Licensing Notice 1979.

(2) This notice shall come into force on the 2nd day of November 1979.

2. Determination of exemption from licensing—(1) All persons specified in the Schedule hereto are hereby exempted from the requirement to licence under the terms of the Sales Tax Act 1974.

(2) Where a person must be licensed because he also engages in taxable operations, such licence will not apply to the operations specified in decisions 1 to 3 and 6 to 25.

(3) Decisions 12 to 18 and 23 do not apply to persons engaged in the assembly of motor vehicles.

(4) In this notice the expression “sale value” means the fair market value as specified in section 19 of the Sales Tax Act 1974.

3. Revocations—All previous decisions of the Minister of Customs pursuant to section 9 of the Sales Tax Act 1932–33 and section 9 of the Sales Tax Act 1974 are hereby revoked.

SCHEDULE

1. Any person manufacturing or intending to manufacture goods other than aircraft, boats, ships, caravans, motor vehicles, trailers, wine, confectionery, ice cream, articles of jewellery or other goldsmiths or silversmiths wares, of a total sale value not exceeding \$50,000 in any one year ended 31 March, subject to the following conditions:

- (a) The total sale value of the goods includes goods that are exempt from sales tax or subject to sales tax, but does not include goods which are exported by the person:
- (b) The person shall produce the goods by hand, by the use of hand tools, or by the use of mechanical appliances where such appliances—

SCHEDULE—*continued*

- (i) Do not produce the goods in a repetitive manner through the use of jigs, templates, moulds, patterns, dies, jolleys, or other similar devices, except that such devices may be used to produce the original or first unit; or
 - (ii) Do not produce the goods other than through the direct control of the operator; or
 - (iii) Do not produce the goods according to a pre-determined pattern for production run purposes:
- (c) The person must design the goods and have complete and variable control over the production of every piece and every stage of production, and may not incorporate any partially or completely manufactured components in the goods:
 - (d) For the purposes of this decision a person includes a partnership as determined by the rules for determining partnerships pursuant to section 5 of the Partnership Act 1908:
 - (e) A person shall not include any body, corporate or unincorporate, which employs staff in a management only capacity or any person who does not, in whole or in part, carry out manufacture on the goods being produced.

2. Any person manufacturing or intending to manufacture articles of jewellery or other goldsmiths or silversmiths wares of a total sale value not exceeding \$50,000 in any one year ended 31 March, subject to the following conditions:

- (a) The total sale value of the goods includes goods that are exempt from sales tax or subject to sales tax, but does not include goods which are exported by the person:
- (b) Each piece must be designed, constructed, worked, set (if necessary), and finished by the same person, and the use of machinery is permissible, e.g., grinding and polishing wheels and drills, provided the tool or the piece is under the complete control of the person through every stage of the production of each piece:
- (c) In the case of cast pieces, the original model shall be the work of the person manufacturing the finished article, the number of castings is restricted to not more than 20, the limitation number shall be stamped on the piece or declared on the invoice, and pieces must be hand-set and hand-finished:
- (d) Each piece must be signed by the maker unless such marking would irretrievably damage the physical or aesthetic quality of the piece:
- (e) Each piece must not incorporate gallery strip, ring tube, pre-cast mounts, or other machine made components made in a repetitive manner, except that chain may be included:
- (f) For the purposes of this decision a person includes a partnership as determined by the rules for determining partnerships pursuant to section 5 of the Partnership Act 1908:
- (g) A person shall not include any body, corporate or unincorporate, which employs staff in a management only capacity or any person who does not, in whole or in part, carry out the manufacture on the goods being produced.

SCHEDULE—*continued*

3. Any person who does work in terms of the definition of the expression “contractor” in section 2 of the Sales Tax Act 1974 for a person qualifying under the terms of decision 1 above.

4. Any person 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:

Provided that this decision 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 Customs upon application made in a form to be supplied by the Collector.

5. Any person, being a “contractor” as defined in section 2 of the Sales Tax Act 1974,—

(a) 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:

Provided that this decision 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 Customs upon application made in a form to be supplied by the Collector; or

(b) Who does work on taxable goods that are the property of a licensed wholesaler:

Provided that this decision 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 Customs upon application made in a form to be supplied by the Collector:

Provided also that any such Certificate of Exemption issued to the contractor shall be applicable only to the above-mentioned work and not to any other taxable work done or taxable goods sold.

6. Any person mixing and dispensing ice cream and soft-serve (snow freeze type ice creams) for retail sale by that person.

7. Any person engaged in the bona fide repair, alteration, or renovation of second-hand goods that have been used in New Zealand.

For the purposes of this decision a person shall be deemed to be engaged in the bona fide repair, alteration, or renovation, of second-hand goods if he manufactures parts of articles that 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.

SCHEDULE—*continued*

For the purposes of this decision a person shall not be deemed to be engaged in the bona fide repair, alteration, or renovation of second-hand goods if he manufactures parts of articles which require repair, alteration, or renovation, and sells them to be incorporated by another person. Such parts of articles shall be liable to sales tax under paragraph (b) or (c), as the case may be, of section 12 (1) of the Sales Tax Act 1974.

8. Any person breaking down or reducing the strength of spirits.
9. Any person manufacturing ready-mixed concrete.
10. Any person manufacturing precast concrete paving slabs, kerbs, edgings, and channellings for streets, concrete staves for tanks, troughs, and baths, concrete crib blocks, precast concrete tunnel liners, or precast concrete road sumps.
11. Any person preparing tarred metal, tarred screenings, and hot-mixed preparations of bitumen and metal for road-making.
12. Any person undersealing motor vehicles.
13. Any person carrying out the combined building and fitting of bodies to commercial trucks or delivery vans. The combined building and fitting of bodies to commercial trucks and delivery vans includes the combined building and fitting of parts of bodies of these vehicles but not the mere fitting of accessories.
14. Any person carrying out the fabrication of body panels for commercial trucks or delivery vans. The term "body panels" does not include the following panels; bonnet, cowl, windscreen (including the sidepanels and header panel), dashboard, valances, and mudguards.
15. Any person fitting hoists to motor vehicle chassis.
16. Any person fitting concrete mixers or concrete agitators to motor vehicle chassis.
17. Any person fitting brake controls to motor vehicles.
18. Any person fitting optional extras to new motor vehicles.
19. Any person installing television aerials.
20. Any person recording vision, or sound and vision, on magnetic tape.
21. Any person carrying out the duplicating of printed matter. Duplicating does not include the work performed by offset printing machines. Licensed wholesalers who prepare duplicated matter that would be taxable if printed shall pay tax on taxable materials used, but shall not be required to pay tax on the labour involved in preparing stencils and in operating the machines.
22. Any person manufacturing candy floss.
23. Any person carrying out the alteration of commercial trucks to enable them to be used for specific load carrying purposes, provided that the property in the vehicle has already passed to the ultimate user. This includes the manufacture of parts for use by the manufacturer in the alteration by him of commercial trucks, but not parts manufactured for sale.

SCHEDULE—*continued*

24. Any retailer re-assembling parts of motor cycles detached for convenience of transport.

25. Any person fitting safety belts to motor vehicles.

Dated at Wellington this 30th day of October 1979.

H. C. TEMPLETON,
Minister of Customs.

EXPLANATORY NOTE

This note is not part of the notice, but is intended to indicate its general effect.

This notice consolidates and amends previous decisions by successive Ministers of Customs under section 9 of the Sales Tax Act 1932-33 and section 9 of the Sales Tax Act 1974 which provide for exemption from the licensing requirement for sales tax purposes.

Decisions 1 to 3 are new and decisions 4 to 25 are unchanged.

Issued under the authority of the Regulations Act 1936.
Date of notification in *Gazette*: 1 November 1979.
This notice is administered in the Customs Department.