

Letter No. FU (1)67851/75 Dated 12.12.1975 from Secretary, Board of Revenue (Taxes) Trivandrum

Sub :- Kerala General sales tax Act 1963 – Timber and out pieces sold by coupe contractors assessability to tax at the enhanced rate

Ref:- Letter No.C6-51909/75/IX dt.30.11.1975.

I am to request you to inform me the date from which the tax at 4 % has to be collected according to your letter cited.

However I am directing the sub officers to recover the tax at the enhanced rate with immediate effect.

Yours faithfully,

Sd /- for Chief Conservator of Forests

Copy with copy of enclosures forwarded to all conservators for information and intimation to all sub officers.

Copy of U.O. note No. DC(1) 13678/74 dt.20.10.75 of Deputy Commissioner (Int.) Trivandrum addressed to the Secretary Board of Revenue (Taxed) Trivandrum:-

Sub:- KGST Act 1963 – Timber cut pieces sold by coupe contractors assessability to tax at the enhanced rate

Enquiries conducted in the line of business of coupe contractors and saw Millers revealed that timber cut pieces sold to saw Millers which are used for making packing cases, switch boxes etc are being shown in the sales bills as firewood and taxed at 1 % only firewood means wood used as fuel. The timber cuttings sold are never firewood. They are used for manufacturing and it should be treated as timber and taxed at the general rate applicable to timber. The cost of this timber cuttings is about 5 times that of firewood. This is a kind of legal evasion of tax practiced by coupe contractors in this trade. Teak cut pieces which are thus used for manufacture of packing cases, repairs battons etc. are termed by the forest department as “teak firewood”. Thus usage of the words is exploited by the coupe contractors and saw mill owners. Timber is taxable at multi points at the general rate where as the forest Department as well as the coupe contractors whichever is the 1<sup>st</sup> seller is collecting tax at 1% on such timber cutting to the guise of firewood.

In this connection it may be pointed out that debarked semi hardwood supplied to Gwalior Rahons is understood to be taxed at multipoint ever ruling the vehement objections of the supply contractors that the goods supplied by them is firewood. The matter may therefore be taken up with the Forest Department so that they may avoid the terms “Firewood” for teak cut pieces which are not used as fuel. Instructions may also given to all assessing officers not to treat timber cuttings as firewood.

G. Gopinathan Nair  
Deputy Commissioner (Int.)

Endt. On KT-26827/75 dt.20.12.1975

Copy to Divl. Forest officers and TR, CH, ML, MR,A1 section and stock file  
Copy to Senior Superintendent and Administrative Assistant

For Conservator of Forests,  
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