

No.C2/22421/08/CT

Office of the Commissioner of
Commercial Taxes
Tax Towers, 8th Floor
Killipalam, Karamana- P.O.
Thiruvananthapuram 695002
Dtd..17 / 11 / 2015

From

The Commissioner

To

All Deputy Commissioners &
All Deputy Commissioners (Int.)
Commercial Taxes Dept.

Sir,

Sub:- KVAT Act, 2003 – Import of timber – Levy of advance tax – Floor rate fixed
– Certain anomalies in the fixation – Circular withdrawn – Direction issued
– reg.

Ref:- 1) Circular No.25/2015 dtd.11-11-2015

2) Reptn. from All Kerala Timber Importers Association, Kakkanad, Kochi.

As per Circular cited as reference 1st above, the floor rate of different types of timber was fixed for the purpose of collecting advance tax with effect from 11-11-2015.

Now, M/s. All Kerala Timber Importers Association, Kakkanad, Kochi vide reference 2nd cited has pointed out certain anomalies involved in the floor rates fixed and also in the basis of measurement adopted for the same.

The issues raised therein has been examined. It is seen that the issue needs detailed examination. As such it is directed that the Circular instructions issued vide reference 1st cited shall be kept in abeyance until further orders.

Yours faithfully,

Sd/-
COMMISSIONER

// By Order //


Joint Commissioner (General)

CIRCULAR NO.25/15

Sub: - Commercial Taxes Department – Price fixation of Imported Timber
- instructions issued - reg.7

Ref: - 1) Circular No. 17/2012 dated 18.06.2012
2) Circular No. 22/2012 dated 01/08/2012
3) Order no. C2/22421/08/CT dated 28.03.2011 of the CCT
4) Report No. DC (I) K4 1268/15 dated 18.09.2015 of DC (Int.),
Kozhikode.

As per the Circulars read above, floor rates were fixed for imported timber varieties for the purpose of collection of Advance tax /Security Deposit. It has been brought to the notice of the Department that the prices of these varieties have increased significantly since then. Hence, vide reference 2nd cited above, an expert committee was constituted consisting of the three Zonal Deputy Commissioners (Intelligence) and Deputy Commissioners of Thiruvananthapuram, Kollam, Palakkad and Kozhikode, to study the issue and to suggest whether any revision of floor price is necessary.

The committee analyzed the market intelligence, data relating to wholesale prices and other trade practices prevailing throughout the state. The actual profit margin at various levels of business, incidental expenses like freight, insurance, loading and unloading charges etc. were also considered. The committee also heard representatives of the trade on 18.08.2015 and submitted their report with recommendations vide reference 4th cited above. A committee of three Joint Commissioners had further examined the report.

From the facts evolved from the deliberations, it is seen than the revision in the floor rates fixed is imminent. So, considering the recommendations of the Committee and in the interest of revenue, the floor rates of imported timber

fixed as per circular referred 1st and 2nd above are revised as under for the purpose of collection of Advance Tax as per section 47(16A) of the Kerala Value Added Tax Act, 2003.

Type	Floor rate per cubic feet (in Rs.)
Pincoda	1145
Purple Heart(violet)	1075
Green Heart	1075
Mora/Cibida/Kabukali	570
Padak	1290
Kussia	1075
Sal	1075
Beachwood/ Ashwood	1145
Sudan Teak logs (having maximum length of 270cm and maximum girth of 125 cm)	1000
Other Teak	2575

This order will take effect from 11/11/2015


COMMISSIONER

Copy to: All concerned