

C2/22421/08/CT

Office of the Commissioner
Commercial Taxes
Thiruvananthapuram
Dated. 01/08/2012

CIRCULAR NO. 22/2012

Sub:- Commercial Tax Department - KVAT Act 2003 –
Floor rate of imported timber - Further instruction issued-reg.

Ref:- Circular No. 17/2012 dated 18.06.2012

As per the Circular read above, floor rates were fixed for imported timber for the purpose of collection of Advance Tax / Security Deposit. The rate of imported teak wood was fixed at Rs.2340/- per cubic feet, as per the circular read above. The trade bodies, particularly All Kerala Timber Importers Association have submitted that this value is on the higher side and have requested to rationalize the floor rate fixed, for imported teak. The trade had also complained that the above floor rate is being applied by the department without considering the girth of the logs.

Hence, a Committee of three Joint Commissioners was set up to examine the contentions raised with regard to floor rate of imported teak and to submit a report. This Committee heard the representatives of the trade on 29-06-2012, and examined the import documents and invoices produced by the trade and also the reports obtained from the field formation in the matter. After detailed deliberations and considering the matter in its entirety, the Committee concluded that the present valuation is slightly on the higher side and recommended to re-fix the floor rate for imported teak at Rs.2100/- per cubic feet.

In the circumstances, the recommendations of the Committee of Joint Commissioners is accepted and the floor value of the imported teak wood is re-fixed @ Rs. 2100/- per cubic feet, for the purpose of collection of Advance Tax as per section 47(16A) of the Kerala Value Added Tax Act, 2003.

The circular referred above is modified to the above extent.

This shall take effect from 02.08.2012 onwards.

COMMISSIONER

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