

ORISSA ACT 18 OF 2003

THE ORISSA FOREST DEVELOPMENT (TAX ON SALE OF FOREST PRODUCE BY GOVERNMENT OR ORISSA FOREST DEVELOPMENT CORPORATION) ACT, 2003

TABLE OF CONTENTS

PREAMBLE:

SECTIONS:

1. Short title, extent and commencement
2. Definitions
3. Levy and collection of forest development tax
4. Recovery of tax by recovery Officer
5. Appeal
6. Utilization of proceeds of tax
7. Exemption from payment of tax
8. Recovery of arrear of tax as arrear of land revenue
9. Protection of action taken in good faith
10. Power to make rules
11. Notifications to be laid before Assembly
12. Power to remove difficulties
13. Repeal and savings

***THE ORISSA FOREST DEVELOPMENT (TAX ON SALE OF
FOREST PRODUCE BY GOVERNMENT OR ORISSA FOREST
DEVELOPMENT CORPORATION) ACT, 2003**

(ORISSA ACT 18 OF 2003)

[Received the assent of the Governor on the 7th December 2003, first
published in an extraordinary issue of the *Orissa Gazette*, dated the 8th
December, 2003 (No. 1863)]

AN ACT TO PROVIDE FOR THE LEVY AND COLLECTION OF FOREST
DEVELOPMENT TAX ON SALES OF FOREST PRODUCE BY OR ON BEHALF OF
THE STATE GOVERNMENT OR THE ORISSA FOREST DEVELOPMENT
CORPORATION.

BE it enacted by the Legislature of the State of Orissa in the Fifty-fourth year of
the Republic of India as follows:-

1. (1) This Act may be called the Orissa Forest Development (Tax on sale of
forest produce by Government or Orissa Forest Development Corporation) Act, 2003.

(2) It extends to the whole of the State of Orissa.

(3) It shall be deemed to have come into force on the 18th day of July, 2003.

2. In this Act, unless the context otherwise requires,-

(a) **“Appellate Authority”** means the forest officer, the officer of
Forest Development Corporation or the officer of the Co-operative
Society, as the case may be, who is immediately superior to the
concerned recovery Officer;

(b) **“Co-operative Society”** means a Co-operative Society registered
under the Orissa Co-operative Societies Act, 1962;

Orissa Act
2 of 1963.

(c) **“Forest Development Corporation”** means the Orissa Forest
Development Corporation Limited, incorporated under the
Companies Act, 1956;

1 of 1956

* For the Bill, see *Orissa Gazette*, Extraordinary, dated the 27th October, 2003 (No. 1633)

- (d) **“forest produce”** means bamboo, timber, kendu leaf and such other produce as Government may, by notification, specify from time to time;
- (e) **“Government”** means the Government of Orissa;
- (f) **“Recovery Officer”** in relation to the sale of any forest produce, means the forest officer or the officer of Forest Development Corporation or the officer of any Co-operative Society, as the case may be, by whom the sale of forest produce is effected, and if any question arises as to who is the recovery Officer in respect of the sale, the same shall be referred to, and decided by, the Principal Chief Conservator of Forests, Orissa and his decision shall be final;
- (g) **“sale” or “sale of forest produce”** means any sale of forest produce by or on behalf of Government or Forest Development Corporation for cash or deferred payment or other valuable consideration whether described as sale price, purchase price or royalty, and includes any such sale of forest produce by a Co-operative Society on behalf of Government or Forest Development Corporation;
- (h) **“sale price”** means the amount of valuable consideration, whether described as sale price or purchase price or purchase price or royalty paid or payable by any purchaser for sale of any forest produce to him and the words “sale” and “purchase” with their respective grammatical variations and cognate expressions, shall be construed accordingly; and
- (i) Words and expressions used but not defined in this Act and defined in the Orissa Forest Act, 1972, shall have the meanings respectively assigned to them in that Act.

Orissa Act
14 of 1972

3. (1) Subject to the provisions of this Act, there shall be levied and collected on and from the commencement of this Act a forest development tax on every sale of forest produce from the purchaser, at such rate, not exceeding twenty per centum of the sale price of such produce sold to him, as the Government may, by notification, fix in that behalf, and different rates may be fixed for different forest produce.

(2) The forest development tax levied and payable under this Act shall be in addition to and not in lieu of any tax levied and payable in respect of the sale or purchase of the same forest produce under the Orissa Sales Tax Act, 1947 or any other law for the time being in force.

Orissa Act
14 of 1947

Levy and
collection of
forest
development
tax.

(3) Notwithstanding anything contained in sub-section (1), where any sale has been effected before the commencement of this Act and under the terms and conditions of such sale, the whole or any part of the sale price is payable on or after such commencement, no forest development tax shall be levied and collected on the whole or part of the sale price so payable.

Recovery of tax by Recovery Officer.

4. The amount of the forest development tax leviable under section 3 on the sale of any forest produce shall be collected by the Recovery Officer effecting the sale from the purchaser along with the sale price:

Provided that where the sale price is payable in two or more installments, the amount of the tax shall also be recovered in installments in proportion to, and along with, the installment of sale price.

Appeal.

5. (1) Any person aggrieved by an order made by the recovery Officer demanding the amount of forest development tax due from him or aggrieved by any other order made by the Recovery Officer, may, within thirty days from the date of receipt of intimation of any such order, appeal to the Appellate Authority, upon which, the Appellate Authority shall, after giving reasonable opportunity of being heard to the appellant, pass such order as it may deem fit.

(2) Any order passed by the Recovery Officer, subject to the order passed in appeal, if any, shall be final.

Utilization of proceeds of tax.

6. The proceeds of the forest development tax levied and collected under this Act shall be credited to the Consolidated Fund of the State, and thereafter, after deducting from the proceeds not exceeding five per centum thereof towards the expenses of collection, the remaining amount shall, under appropriation duly made by law in this behalf, be placed at the disposal of the Forest Department of Government each year as additional budgetary resources to be expended for forest plantations, conservation, regeneration and development of forests.

Exemption from payment of tax.

7. The Government may, if it considers necessary to do so, in the public interest subject to such condition, if any, exempt sale of any forest produce from payment of forest development tax as prescribed.

Recovery of arrear of tax as arrear of land revenue.

8. All arrears of forest development tax due under this Act shall be recoverable as an arrear of land revenue.

Protection of action taken in good faith.

9. No suit, prosecution or other legal proceedings shall lie against Government or any officer of Government of Forest Development Corporation or of any Co-operative Society for anything which is in good faith done or intended to be done under this Act or any rule made there under.

Power to
make rules.

10. The Government may, by notification, make rules to carry out the purposes of this Act.

Notifications to
be laid before
Assembly.

11. All notifications issued under clauses (d) of section 2 and sections 3 and 7 shall, as soon as may be after they are published the Gazette, be laid before the Orissa Legislative Assembly for a total period of fourteen days which may comprise in one or more sessions.

Power to
remove
difficulties.

12. If any difficulty arises in giving effect to the provisions of this Act, Government may, make such provisions not inconsistent with the provisions of this Act, as may appear to be necessary for removing the difficulty by amending the rules.

Repeal and
savings.

13. (1) The Orissa Forest Development (Tax on sale of forest produce by Government or Orissa Forest Development Corporation) Ordinance, 2003 is hereby repealed.

Orissa
Ordinance
No. 3 of
2003.

(2) Notwithstanding such repeal, anything done or any action taken under the Ordinance so repealed shall be deemed to have been done or taken under the corresponding provisions of this Act.