

Pro. (4) - 562/2010

Forest Headquarters  
Thiruvananthapuram  
Dated: 02.07.2010

**CIRCULAR NO. 9 /2010**

Sub: Collection of VAT at varying rates for firewood and billets- unification of rates- instructions issued - reg.

Ref: Decision taken in the meeting of the Chief Conservators of Forests Council held on 24.02.2010.

The Vigilance wing of the Department observed that Value Added Tax for firewood and billets is being collected by various Forest Divisions and Timber Depots in Kerala at varying rates. In certain Divisions, VAT is being collected at 4% as envisaged in the Third schedule of Kerala Value Added Tax Act 2003 instead of at 12.5%. In this schedule, firewood is described as (1) Coniferous wood in chips or particles (2) Non-coniferous wood in chips or particles (3) Saw dust and wood waste and scrap whether or not, agglomerated in logs, briquettes, pellets or similar forms. As per Schedule E of Kerala Value Added Tax Act 2003, all wood including firewood in billets, twigs and faggots are taxable @ 12.5%.

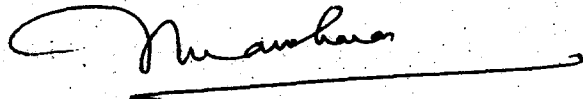
This issue was brought before the Council of Chief Conservators of Forests by Chief Conservator of Forests

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(Vigilance) with a suggestion to take action to adopt a uniform rate of VAT for firewood and billets throughout Kerala. The Council meeting held on 24.02.2010 decided to issue directions in this regard. A clarification from Sales Tax Department was sought, since firewood appeared in two schedules. The Commissioner, Commercial Taxes, Thiruvananthapuram, as per his letter dated 05.06.2010 has clarified that firewood is taxable @ 12.5 % .

In the above circumstances all Divisional Forest Officers and Depot officers are hereby directed to realize VAT @ 12.5% for firewood and billets sold by Forest Department.

The receipt of this circular should be acknowledged.



Principal Chief Conservator of Forests

To

All Principal Chief Conservators of Forests /Additional Principal Chief Conservators of Forests /Chief Conservators of Forests /Conservators of Forests /Divisional Forest Officers

ccf, FMIS, TV/DM