

**Maharashtra Forest Development Tax On Sale Of Forest
Produce By Govt Or Forest Development Corporation Act,
1983**

22 of 1983

CONTENTS

1. Short Title, Extent And Commencement
2. Definitions
3. Levy And Collection Of Tax
4. Recovery Of Tax Through Recovery Officer
5. Appeal Against Amount Of Tax
6. Utilisation Of Proceeds Of Tax
7. Exemptions From Payment Of Tax
8. Recovery Of Arrears Of Tax As Arrears Of Land Revenue
9. Protection Of Action Taken In Good Faith
10. Power To Make Rules
11. Sales By Co-Operative Societies From 7Th December, 1982 To 16Th January, 1983
12. Power To Remove Difficulties
13. Repeal Of Mah. Ord. Iii Of 1983 And Saving

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PREAMBLE

An Act to levy and collect forest development tax on sales of forest-produce by or on behalf of the State Government or the Forest Development Corporation.

Whereas both Houses of the State Legislature were not in session and the Governor of Maharashtra promulgated the Maharashtra Forest Development (Tax on sale of forest-produce by Government or Forest Development Corporation) Ordinance, 1982, on the 4th December, 1982 (hereinafter referred to as "the said Ordinance"); And Whereas thereafter the State Legislature re-assembled on the 13th December, 1982;

And Whereas the Maharashtra Forest Development (Tax on Sale of Forest Produce by Government or Forest Development Corporation)

Bill, 1982 (L. A. Bill No. LVIII of 1982), for converting the said Ordinance, with certain modifications, into an Act of the Legislature, was introduced in the Maharashtra Legislative Assembly on the 16th December, 1982, but was not passed in that session, which was prorogued on the 24th December, 1982;

And Whereas when the State Legislature had re-assembled on the 13th December, 1982 and the said Ordinance had not been replaced by an Act of the State Legislature the said Ordinance would have ceased to operate after the 23rd January, 1983;

And Whereas both Houses of the State Legislature were not in session then, and the Governor of Maharashtra was satisfied that circumstances still existed which rendered it necessary for him to take immediate action to continue the operation of the provisions of the said Ordinance, with the modification proposed to be made by L. A. Bill No. LVIII of 1982 referred to above; and, therefore, promulgated the Maharashtra Forest Development (Tax on sale of forest-produce by Government or Forest Development Corporation) (Continuance) Ordinance, 1983, on the 17th January, 1983;

And Whereas it is expedient to replace the Maharashtra Forest Development (Tax on sale of forest-produce by Government or Forest Development Corporation) (Continuance) Ordinance, 1983, by an Act of the State Legislature; It is hereby enacted in the Thirty-fourth Year of the Republic of India as follows :-

NOTES

Object.-The importance of forests for prevention of soil erosion, retention of moisture in the soil, maintenance of ecological balance, provision of the needs of fuel, small timber and fodder of the rural population, supply of raw materials for forest based industries, etc. is well recognised. There is, necessity to undertake a massive programme of afforestation, not only to bring under vegetal cover denuded forest areas on ecological grounds, but also to bridge speedily the widening gap between the demand for, and the supply of, forest-produce, both for domestic and industrial consumption. As this calls for allocation of more financial resources for forest development programmes urgently.

It was, proposed to raise the necessary additional resources by levy and collection of a forest development tax on the sale of forest-produce by or on behalf of the State Government and the Forest Development Corporation of Maharashtra Limited, at the rate of five per cent., of the sale price, which will be in addition to any other tax payable in respect of the sale or purchase of the same forest-produce under the Bombay Sales Tax Act, 1959 or any other

law for the time being in force. The proceeds of the said tax, after deducting the expenses of collection, are proposed to be placed at the disposal of the Forest Department every year as additional budgetary resources. These resources would be expended only for raising forest plantations or other ancillary purposes connected with forest development programmes as also for the welfare of the people dwelling in forests and the weaker sections of the people dependent on forest-produce for their livelihood.-Vide Statement of Objects and Reasons.

1 . The word "Continuance" was deleted by Mah. 32 of 2001, Section 2 (w.e.f. 22.6.2001).

1. Short Title, Extent And Commencement :-

(1) This Act may be called the Maharashtra Forest Development (Tax on Sale of Forest Produce by Government or Forest Development Corporation) 1[(* * *)] Act, 1983.

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

(3) It shall be deemed to have come into force on the 7th December, 1982.

1. These words were substituted for the words "ten per cent." by Mah. 32 of 2002, Section 3.

2. Definitions :-

In this Act, unless the context otherwise requires, -

(a) "Appellate Authority", where the Recovery Officer is the Forest Officer or the officer of the Forest Development Corporation, means the officer of the Forest Department or of the Forest Development Corporation, as the case may be, immediately superior to the Recovery Officer, and where the Recovery Officer is the officer of a co-operative society, means the Divisional Forest Officer, or the Sub-Divisional Forest Officer in-charge of an independent Forest Sub-Division, as the case may be, within whose territorial jurisdiction the sale was taken place. If any question arises as to who is the Appellate Authority, in respect of any sale, the same shall be referred to and decided by the Chief Conservator of Forests and his decision shall be final;

(b) "Co-operative society" means a co-operative society registered or deemed to be registered under the Maharashtra Co-operative Societies Act, 1960;

- (c) "Forest Development Corporation" means the Forest Development Corporation of Maharashtra Limited being a private company within the meaning of the Companies Act, 1956, and having its registered office in Nagpur in the State of Maharashtra;
- (d) "forest-produce" means forest-produce as defined in the Indian Forests Act, 1927, in its application to the State of Maharashtra;
- (e) "Recovery Officer" in relation to any sale of forest-produce, means the Forest Officer, or the officer of the Forest Development Corporation, or the officer of cooperative society, as the case may be, by whom the sale 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 Chief Conservator of Forests and his decision shall be final;
- (f) "sale" or "sale of forest-produce" means any sale of forest-produce by or on behalf of the State Government or the 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 cooperative society on behalf of the State Government or the Forest Development Corporation;
- (g) "sale price" means the amount of valuable consideration, whether described as sale price, purchase price or royalty, paid or payable by any purchaser for sale of any forest-produce to him; and the words "sell" and "purchase" with all their grammatical variations and cognate expressions, shall be construed accordingly;
- (h) "tax" means the forest development tax on the sale of any forest-produce by or on behalf of the State Government or the Forest Development Corporation levied and collected under this Act;
- (i) words and expressions used in this Act, but not defined herein, shall have the meanings assigned to them in the Indian Forests Act, 1927, in application to the State of Maharashtra, or in the Maharashtra Co-operative Societies Act, 1960, as the case may require.

3. Levy And Collection Of Tax :-

(1) Subject to the provisions of this Act, on and after the 7th December, 1982 there shall be levied and collected by the State Government the tax on every sale of forest-produce from the purchaser, at the rate of 1[twelve per cent.,] of the sale price of such produce sold to him.

(2) Notwithstanding anything contained in sub-section (1) where any sale is effected before the 7th December, 1982, and under the terms and conditions of such sale, the whole or any part of the sale price is payable on or after the said date, no tax under this Act shall be levied and collected on the whole or part of the sale price so payable.

(3) It is hereby declared that the 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 Bombay Sales Tax Act, 1959, or any other law for the time being in force.

1. These words were substituted for the words "ten per cent." by Mah. 32 of 2002, Section 3.

4. Recovery Of Tax Through Recovery Officer :-

The amount of 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 instalments, the amount of tax shall also be recovered in instalments, in proportion to, and along with, the instalments of the sale price.

5. Appeal Against Amount Of Tax :-

(1) Any person aggrieved by an order made by the Recovery Officer determining the amount of 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. The Appellate Authority, on receipt of any such appeal, shall give a reasonable opportunity of being heard to the appellant and decide the matter.

(2) Any order made by the Recovery Officer, subject to an appeal to the Appellate Authority, and the decision of the Appellate Authority on any such appeal, shall be final.

6. Utilisation Of Proceeds Of Tax :-

The proceeds of the tax levied and collected under this Act shall first be credited to the Consolidated Fund of the State, and thereafter, after deducting from the proceeds such sum as the State Government may determine as 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 each year as additional budgetary resources to be expended only for forest plantations or other ancillary purposes connected with forest development programmes and for the welfare of the people dwelling in the forests and the weaker sections of the people dependent on forest-produce for their livelihood.

7. Exemptions From Payment Of Tax :-

Subject to such conditions (if any) as it may impose, the State Government may, if it is necessary so to do in the public interest, by notification in the Official Gazette, exempt any specified class of sales from payment of the whole or any part of the tax payable under this Act, and exemption shall take effect from the date of publication of the notification in the Official Gazette, or such other date as may be specified therein.

NOTIFICATION

No. FDM. 1082/240918-F-2.-In exercise of the powers conferred by section 7 of the Maharashtra Forest Development (Tax on sale of Forest Produce by Government or Forest Development Corporation) (Continuance) Act, 1983 (Mah. XXII of 1983), the Government of Maharashtra, having considered it necessary so to do in the public interest, hereby exempts the following classes of sales from the payment of the whole of the tax payable under the said Act, namely :-

- (1) Sale of nursery seedlings for Vanamahotsava.
- (2) Sale of trees belonging to the tribal occupants by the Forest Department under the Maharashtra sale of trees by occupants belonging to the Scheduled Tribes (Regulation) Act, 1969 (Mah. XXIII of 1969).
- (3) Sale of forest-produce by any Government Department other than the Forest Department.
- (4) Sale of Minor Forest Produce specified in the Schedule to this notification.
- (5) Retail sale of firewood at the depots run by the Forest Department and the Forest Development Corporation of Maharashtra Limited.

2. The exemption shall take effect from the date of publication of this notification in the Official Gazette.

SCHEDULE

A list of minor forest produce items, the sale of which by

Government or the Forest Development Corporation of Maharashtra is exempted from levy and collection of the Forest Development Tax

1. Gras (sold on recovery of grazing fee or rated pass fee).
2. Ghaypat or Ketki (leaves, bulbils and suckers) Agave species.
3. Gum and oleo-resin.
4. Honey.
5. Wax.
6. Charoli (Buchanania lanzan).
7. Kadipatta (Murraya koenigii).
8. Tarward Bark (Cassia auriculata).
9. Chillar bark (Caesalpinia sepiaria).
10. Oilseeds.
11. Shikekai (Acacia Concinna).
12. Rosha (Cymbopogon martini).
13. Khus (Vetivera Zizanioides).
14. Hirda (Terminalia Chebula).
15. Mohwa flowers and fruit (Madhuca latitolia).
16. Karvi (Carvia callosus).
17. Leaves of palas (Butea monosperma).
18. Toddy Palm Leaves (Borassus and Phoenix spp.).
19. Khizani (Mimusope hexandra).
20. Fruit from wild mango (Magifera indica) Jamun (Syzygium cumini), aola (Emblica officinale), ber (Zizyphus jujuba), Sitaphal (Anona squamosa), Karvand (Carissa carandas), Kokam (Garcinia indica) and Khokar (Cordia myxa).

8. Recovery Of Arrears Of Tax As Arrears Of Land Revenue :-

All arrears of tax due under this Act shall be recoverable by the Collector as arrears of land revenue.

9. Protection Of Action Taken In Good Faith :-

No suit, prosecution or other legal proceeding shall lie against the State Government or any officer of the State Government or the Forest Development Corporation or any co-operative society for anything which is in good faith done or intended to be done under this Act.

10. Power To Make Rules :-

(1) Subject to the condition of previous publication, the State Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of the State Legislature while it is in session, for a total period of thirty days, which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule, or both Houses agree that the rule should not be made, and notify such decision in the Official Gazette, the rule shall from the date of publication of such notification have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done or omitted to be done under that rule.

11. Sales By Co-Operative Societies From 7Th December, 1982 To 16Th January, 1983 :-

(1) For the removal of doubt, it is hereby declared that sales of any forest-produce: by any co operative society on behalf of the State Government or the Forest Development Corporation during the period from the 7th December, 1982 to the 16th January, 1983 (both inclusive) are also liable to tax under this Act, and any amounts of tax recovered for such sales shall be deemed to have been validly levied and collected. If any amount of tax for any such sale remains to be recovered on the 7th January, 1983 (hereinafter in this section referred to as "the said date"), the purchaser shall pay to the officer who effected the such amount within a period of thirty days from the said date.

(2) Any person, who is aggrieved by any recovery of tax for sales referred to in sub-section (1), may, within thiiiy days from the said date or from the date of recovery, whichever is latter, appeal to the Appellate Authority, and the provisions of section 5 shall, so far as may be, apply to any such appeal.

12. Power To Remove Difficulties :-

If any difficulty arises in giving effect to the provisions of this Act, the State Government may, as occasion arises, by order, do anything, which appears to it to be necessary or expedient to remove the difficulty :

Provided that, no such order shall be made after the expiry of the period of two years from the date of commencement of this Act.

13. Repeal Of Mah. Ord. Iii Of 1983 And Saving :-

(1) The Maharashtra Forest Development (Tax on Sale of Forest Produce by Government or Forest Development Corporation) (Continuance) Ordinance, 1983, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the said Ordinance shall be deemed to have been done, taken or issued, as the case may be, under the corresponding provisions of this Act.