

**Forest Act, 1963****Chapter 11A - Forest Development Tax**

(1) Notwithstanding anything contained in this Act, in respect of forest produce disposed of by the State Government <sup>1</sup> [or by a corporation, owned or controlled by or a body notified by the State Government] by sale or otherwise, there shall be levied and paid to the State Government a tax at the rate of <sup>2</sup> [eight per cent] on the amount of consideration paid therefor.

<sup>3</sup> [Provided that the tax levied and paid under this sub-section on the disposal of forest produce specified in column (2) of the Table below to the categories of persons or industries specified in column (3) thereof shall be twelve per cent on the amount of consideration.

**TABLE**

Sl. No.	Forest produce	When disposed of to
(1)	(2)	(3)
1. Timber, firewood, grass, charcoal and eucalyptus.		Industries
2. Bamboo, reeds and canes.		Pulp and paper industries except cottage industries;
3. Sandalwood.		(a) Sandalwood oil factories and (b) Others except; (i) Artisans (ii) Religious institutions; and (iii) Cottage industries
4. Minor forest produce as defined in the rule but not falling under Serial Numbers 1 and 2.		Industries except Large scale Multipurpose Co-operative Societies (LAMPS)]

<sup>3</sup> [Provided further that the tax under the above proviso in respect of eucalyptus and bamboos supplied as raw material for manufacture of news print shall be fifty per cent of the rates specified therein or a period of five years.]

<sup>3</sup> [(1A) Notwithstanding anything contained in sub-section (1), no tax shall be payable to the State Government by a corporation, owned or controlled by the State Government to the extent of tax not levied and collected by it during the period from fourteenth day of February, 1978, till the commencement of the Karnataka Forest (Amendment) Act, 1988.]

(2) The said tax shall be collected along with such consideration.

(3) It is hereby declared that the said tax shall be in addition to and not in lieu of any tax payable in respect of such produce under any other law in force.

1. Inserted by Act 10 of 1989 w.e.f. 14.12.1978.

2. Substituted by Act 14 of 1980 w.e.f. 17.4.1980.

3. Inserted by Act 7 of 1983 w.e.f. 1.4.1983.

5. Inserted by Act 10 1989 w.e.f. 1.10.1983.

6. Inserted by Act 10 of 1989 w.e.f. 16.3.1989.

**Section 98B - Forest Development Fund**

(1) There shall be constituted for the State of Karnataka a Fund called the Karnataka Forest Development Fund.

<sup>1</sup>[(2) The following shall form part of the Karnataka Forest Development Fund, namely:-

(a) the tax levied and collected under section 98A;

(b) the money recovered for raising compensatory plantation in lieu of the forest area made over for non-forestry purposes;

(c) sandal surcharges collected for the development of sandalwood resources;

(2A) The amounts referred to in sub-section (2) shall first be credited to the Consolidated Fund of the State and under appropriation duly made by law in this behalf, be entered in and transferred to the Karnataka Forest Development Fund.]1

(3) Any amount transferred to the said fund under sub-section (2), shall be charged upon the Consolidated Fund of the State.

(4) The amount at the credit of the said fund shall not be expended except for the raising of forest plantation and for such other purpose as are ancillary thereto.]

---

1. Sub-section 2 and 2A Substituted by Act 10 of 1989 w.e.f. 16.3.1989.

---

---

---