

Draft of 6/11/06



No. of 2006.

Forestry (2007 Budget Amendment) Bill, 2006.

ARRANGEMENT OF CLAUSE.

New Section 121A.



A BILL

for

AN ACT

entitled

Forestry (2007 Budget Amendment) Act, 2006,

Being an Act to amend the *Forestry Act 1991*,

MADE by the National Parliament to come into operation on 1 January 2007.

NEW SECTION 121A.

The Principal Act is amended by inserting after section 121 the following new section:-

"121A LOG EXPORT DEVELOPMENT LEVY.

(1) There shall be imposed, at the rate of K8/m³ of total logs exported, a customs duty named "Log Export Development Levy" applicable to all exported logs under item 44.03 of the *Customs Tariff Act 1990* except on the export of plantation logs as defined in the *Customs Tariff Act 1990*.

"(2) The levy shall be paid into a trust account established by the Minister of Finance for the purpose of receiving the Log Export Development Levy."

"(3) The levy will be paid by an exporter together with the payment of the log export duty imposed by the *Customs Tariff Act 1990* to the Commissioner General who will pay the levy into the trust account referred to in Subsection (2)."

"(4) For the purposes of enforcing payment, the levy shall be treated as if it were a customs duty and the provisions of the *Customs Act (Chapter 101)* relating to payment of duties and recovery of unpaid duty will apply to a failure to pay the levy."

Forestry (2007 Budget Amendment)

- (5) For the purposes of administering the trust account, there is established a Log Export Development Levy Committee consisting of:-
- (a) the Secretary of the Department of Finance or his nominee; and
 - (b) the Secretary of the Department of Planning or his nominee; and
 - (c) the Managing Director of the Forest Authority or his nominee.
- (6) The Committee shall approve all expenses out of the trust account.”.

EXPLANATORY MEMORANDUM
Forestry (2007 Budget Amendment) Bill 2006

This Bill establishes the Log Export Development Levy to be paid at the rate of K8 per cubic metre on all log exports other than plantation logs.

It also establishes the method of methods of payment and distribution of the proceeds.

The proceeds of the levy will be held in a trust account established for this purpose by the Minister for Finance.

A committee will be established to administer the trust account and approve expenses from it. Those expenses are to be on projects for agricultural or infrastructure development which will benefit the rural communities in logging areas.