



AN ACT TO ABOLISH THE PAYMENT OF ANNUAL LAND RENTAL BID PREMIUM ON CONTRACT AREA AND MERGING OF EXPORT TAXES INTO STUMPAGE/PRODUCTION FEE IN THE FORESTRY SECTOR OF THE LIBERIAN ECONOMY.

**AN ACT TO ABOLISH THE PAYMENT OF ANNUAL LAND RENTAL BID
PREMIUM ON CONTRACT AREA AND MERGING OF EXPORT TAXES INTO
STUMPAGE/PRODUCTION FEE IN THE FORESTRY SECTOR OF THE
LIBERIAN ECONOMY.**

Whereas, the National Forestry Reform Act of 2006, Section 14.2, Forestry Fees, outlined various Forestry Fees to include Land Rental Fees paid on contract area;

Whereas, the reform of the Forest sector was intended to effectively and efficiently manage the forest resources of Liberia, revamp logging activities, and create jobs;

Whereas, the inclusion of Land Rental Bid premium, paid on contract areas, in addition to Land rental fees, also paid on contract areas, is regressive and imposes very high tax burden on logging activities, frustrates, delays, or denies job creation and makes Liberian wood less competitive on the international Market;

Whereas, export taxes/fees in addition to the stumpage fees payment on logs and processed wood products that are based on classes, create extreme difficulties in estimating revenue and unnecessary administrative burden and in order to provide incentive for industrialization as well as value addition in processing industries of the sector;

Whereas, the execution of the National Forestry Reform Law of Liberia should at no time serve as an impediment to the growth and development of the forestry sector of Liberia; and

Now therefore, it is enacted by the Senate and House of Representatives in Legislature Assembled:

Section I.

That from and immediately upon the passage of this Act and its subsequent approval by the President and publication into law, Annual Land Rental Bid Premium paid on Contract Areas is hereby abolished.

That export fees payment on logs and processed wood products are merged into Stumpage/production fee.

Section II.

That in lieu of Annual Land Rental Bid Premium, The Forestry Development Authority (FDA) is authorized to levy, through regulations, a special production-based fee (stumpage premium) to compensate for revenue loss associated with the cancellation of Annual Land Rental Bid Premium.

Section III.

That the Forestry Development Authority is hereby authorized to ensure that the fees structure in the Liberian Forestry sector is appropriate to protect the competitiveness of the Liberian forestry industry and to ensure reforestation for the lasting protection of the Nation's forests.

Section IV.

That in order to bring relief and encourage logging investment and create incentives for employment, all Land Rental Bid Premiums accrued up to the Fiscal Year 2011/2012 shall be fully paid within a period of 36 months or as shall be agreed with the Authority and the Ministry of Finance.

Section V.

This Act shall take effect immediately upon publication into Hand Bills.

ANY LAW TO THE CONTRARY NOTWITHSTANDING.