

**IN THE COURT OF APPEAL OF MALAYSIA IN KUCHING  
(APPELLATE JURISDICTION)  
CIVIL APPEAL NO: Q-01-104-2009**

**BETWEEN**

**KETUA PENGARAH HASIL DALAM NEGERI**

**... APPELLANT**

**AND**

**PRIMARY PROPERTIES SDN. BHD.**

**... RESPONDENT**

*Revenue Law– interpretation – paragraph 8 of Schedule 3 - Income Tax Act 1967,*

Issue : Whether capital expenditure incurred by the tax payer for construction of roads and building in the logging area is a qualifying forest expenditure qualified for forest allowance under paragraph 8 of Schedule 3 of the Income Tax Act 1967.

Decision : The Court of Appeal dismissed the Revenue's appeal.

The tax payer is entitled to claim forest allowance under paragraph 8 of Schedule 3 of the Income Tax Act 1967 notwithstanding the fact that the tax payer is not a person who has a license or concession to extract timber.

Status : No grounds of judgment are provided by the Court of Appeal. No right of further appeal.

Date of Judgment : 16 February 2012