

## **Tax Chart**

### **Year of Assessment 2022/2023**

Income tax payable for the above year of assessment shall be computed separately for two periods of the year of assessment;

- **In case of Individual:**
  - First period – First nine months (period from 01.04.2022 to 31.12.2022)
  - Second period – Second three months (period from 01.01.2023 to 31.03.2023)
- **In case of Companies:**
  - First period – First six months (period from 01.04.2022 to 30.09.2022)
  - Second period – Second six months (period from 01.10.2022 to 31.03.2023)

### **Tax Rates for Resident and Non-Resident Individuals**

**For the first nine months Period-(Period from 01.04.2022 to 31.12.2022)**

## List of available Reliefs

- Personal Relief for residents/non-resident citizens of Sri Lanka is Rs. 2,250,000/- (not available for gains from the realization of investment asset).
- Individual – Rent Relief- 25% of the total rental income for the year of assessment (depend on the total rent income of the respective period).
- A resident individual – following expenditure incurred during the first period, up to a total sum of Rs. 900,000/-
  1. Health expenditure including contribution to medical insurance;
  2. Vocational education or other educational expenditure incurred locally by such individual or on behalf of such individual's children;
  3. Interest paid on housing loans;
  4. Contributions made to any local pension scheme, other than for a scheme under the employer or on behalf of the employer, by an employee;
  5. Expenditure incurred for the purchase of share or any other financial instrument listed in the Colombo Stock Exchange and licensed by the Securities and Exchange Commission of Sri Lanka or treasury bond under the Registered Stocks and Securities Ordinance (Chapter 420) or treasury bills under the Local Treasury Bills Ordinance (Chapter 417).
- A resident individual – who has acquired solar panel to fix on his premises and connected to the national grid, Rs. 600,000/- for each year of assessment, up to the total expenditure on such solar panels or up to the amounts paid to a bank in respect of any loan obtained to acquire such solar panel could be deducted either from first period, second period or from both periods.

<b>Taxable Income</b>	<b>Rate</b>
First Rs. 2,250,000/-	6%
Next Rs. 2,250,000/-	12%
On the balance	18%
Gains from realization of investment assets	10%

Income from a business consisting of betting and gaming, manufacture and sale or import and sale of any liquor or tobacco product	40%
<p>Following gains and profits shall be taxed at the maximum rate of 14%</p> <ul style="list-style-type: none"> <li>• Consideration received in respect of gems and Jewellery</li> <li>• Amounts received on the supply of electricity to national grid generated by using renewable energy resources by any individual.</li> </ul>	

## **For the second three months period-(Period from 01.01.2023 to 31.03.2023)**

### **List of available Reliefs**

- Personal Relief for residents/non-resident citizens of Sri Lanka is Rs. 300,000/- (not available for gains from the realization of investment asset).
- For individual – Rent Relief- 25% of the total rental income for the year of assessment. (depend on the total rent income of the respective period)
- For a resident individual – who has acquired solar panel to fix on his premises and connected to the national grid, Rs. 600,000/- for each year of assessment, up to the total expenditure on such solar panels or up to the amounts paid to a bank in respect of any loan obtained to acquire such solar panel could be deducted either from first period, second period or from both periods.

<b>Taxable Income</b>	<b>Rate</b>
First Rs. 125,000/-	6%
Next Rs. 125,000/-	12%
Next Rs. 125,000/-	18%
Next Rs. 125,000/-	24%
Next Rs. 125,000/-	30%
On the Balance	36%
Gains from realization of investment assets	10%

Income from a business consisting of betting and gaming, manufacture and sale or import and sale of any liquor or tobacco product	40%
-----------------------------------------------------------------------------------------------------------------------------------	-----

## Tax on Terminal Benefits from Employment

### Tax Rates for Companies

**For the first six months period (period from 01.04.2022 to 30.09.2022)**

Description	Rate
<b>Standard Rate</b>	
Taxable income of a company (Other than companies taxed at special rates)	24%

<b>Special Rates</b>	
Gains & profits from the business of Small and Medium enterprises (excluding the business of betting and gaming or from sale of liquor other than those gains and profits are merely incidental to another business)	14%
Gains & Profits from conducting a business of sale of goods or merchandise including export of goods, where the payment for such sale is received in foreign currency and remitted through a bank to Sri Lanka	14%
Gains & profits Specified undertaking (as defined in section 195)	14%
Gains & Profits from providing Educational Services	14%
Gains & Profits of an undertaking for the promotion of Tourism	14%
Gains & Profits from providing Construction Services	14%
Gains & Profits from Agro processing	14%

Gains & Profits from providing Health Care Services	14%
Gains & Profits from Dividends received from a resident Company	14%
Gains and profits derived by any export company which is registered with BOI, from the consideration received in respect of health protective equipment and similar products supplied to the Ministry of health, Department of Health Services, Sri Lanka Army, Sri Lanka Navy, Sri Lanka Air force, Sri Lanka Police and COVID Center	14%
Gains and profits of any company (even though a higher rate of income tax is applicable as provided under this Act or under any other written law) which lists its shares on or after January 1, 2021, but prior to December 31, 2021, in the Colombo Stock Exchange licensed by the Securities and Exchange Commission of Sri Lanka, for three years of assessment commencing from April 1, 2022	14%
Gains and profits from the consideration received in respect of gems and Jewellery	14%
Gains and profits from the supply of electricity to the national grid generated using renewable energy resources by a company	14%
Gains from the realization of Investment Assets	10%
Gains & Profits from Manufacturing (subject to the tax rate for SMEs, exports, Specified undertakings, Export company supply of health care protective equipment to three forces, police, Health Ministry, Dept. of Health Services & COVID Center)	18%
Gains and profits from conducting betting and gaming	40%
Gains and profits from manufacture and sale or import and sale of any liquor or tobacco products	40%

**For the second six months period (period from 01.10.2022 to 31.03.2023)**

Description	Rate
<b>Standard Rate</b>	
Taxable income of a company (Other than companies taxed at special rates)	30%

<b>Special Rates</b>	
Gains and profits from conducting betting and gaming	40%
Gains and profits from manufacture and sale or import and sale of any liquor or tobacco products	40%
Gains from the realization of Investment Assets	30%

**Remittance Tax**

Description	Rate
Remittance tax on non-resident person	14%
Remittance tax on non-resident person on if a non-resident person retained the total income earned in any year of assessment commencing on or after April 1, 2021 in Sri Lanka for a minimum period of three years commencing from the first day of the immediately succeeding year of assessment in which the income is earned and invested the same in Sri Lanka to expand its business or to acquire shares or securities from the Colombo Stock Exchange licensed by the Securities and Exchange Commission of Sri Lanka or to acquire any treasury bill, treasury bond or Sri Lanka International Sovereign Bond issued on behalf of the Government of Sri Lanka	0% (on remittances of retained income invested)

## **Tax Rate for Partnerships**

<b>Description</b>	<b>Rate</b>
Partnership is allowable to deduct any qualifying payments made during the year of assessment in computing its taxable income and income tax payable on taxable income	
Taxable income is not exceeding Rs. 1,000,000	0%
If balance taxable income is exceeding Rs. 1,000,000/-, on the excess of Rs. 1,000,000/-	6%
Gains from realization of Investment Asset	10%

## **Tax Rates for Trusts**

**For the first six months period (period from 01.04.2022 to 30.09.2022)**

<b>Description</b>	<b>Rate</b>
Taxable income of a trust	18%
Gains from realization of Investment Asset	10%

**For the second six months period (period from 01.10.2022 to 31.03.2023)**

<b>Description</b>	<b>Rate</b>
Taxable income of a trust	30%
Gains from realization of Investment Asset	10%

## **Tax Rates for Unit Trusts or Mutual Funds**

**For the first six months period (period from 01.04.2022 to 30.09.2022)**

<b>Description</b>	<b>Rate</b>
Taxable income of unit trusts or mutual funds	24%
Gains from realization of Investment Asset	10%

**For the second six months period (period from 01.10.2022 to 31.03.2023)**

Description	Rate
Taxable income of unit trusts or mutual funds	30%
Gains from realization of Investment Asset	10%

**Tax Rates for Non-Governmental Organization**

**For the first six months period (period from 01.04.2022 to 30.09.2022)**

Description	Rate
Taxable income of a Non-Governmental Organization	24%
Gains from realization of Investment Asset	10%
On the three percent of the amount received in a year of assessment by way of grant, donation or contribution or in any other manner	24%

**For the second six months period (period from 01.10.2022 to 31.03.2023)**

Description	Rate
Taxable income of a Non-Governmental Organization	30%
Gains from realization of Investment Asset	10%
On the three percent of the amount received in a year of assessment by way of grant, donation or contribution or in any other manner	30%



## Tax rates for Charitable Institutions

Description	Rate
Taxable income of charitable institutions	14%
Gains from realization of Investment Asset	10%

## Tax rates for Employees Trust Funds, Provident or Pension funds and Termination Funds

Description	Rate
Taxable income of Employees Trust Funds, Provident or Pension funds and Termination Funds	14%

## Withholding Tax (WHT)/ Advanced Income Tax (AIT)

With effect from 01.01.2023

### WHT Rates applicable on the Income received as Investment Return

Description	Rate
Payment to a non-resident person with respect to land, sea, air transport or telecommunication service, in terms of section 85(2) of IR Act. And Gazette Notification Extraordinary No. 2064/51 dated April 01, 2018.	2%
From the Sale price of any gem sold at an auction conducted by the National Gem & Jewellery Authority.	2.5%
Service fee payments to a resident individual who is not an employee of the payer (if aggregate payment exceeds Rs. 100,000 per calendar month) <ul style="list-style-type: none"><li>For teaching , lecturing, invigilating or supervising an examination;</li><li>As a commission or brokerage to a resident insurance, sales or canvassing agent</li><li>For services provided by such individual in the capacity of independent service provider such as doctor, engineer, accountant, layer, software developer, researcher, academic or any individual service provider as may be prescribed by regulations</li></ul>	5% on full payment

Interest or discount paid	5%
Rent payments to a resident person (if aggregate payment exceeds Rs. 100,000 per calendar month)	10% on full payment
Amount pays as wining from a lottery, reward, betting or gambling	14%
Charge, natural resource payment (defined in section 195 of the IR Act.) or premium	14%
Royalty (defined in section 195 of IR Act.)	14%
Rent payment to a non-resident person	14%
Service fee or an insurance premium payments to a non-resident person	14%
Dividend	15%

### **Advanced Personal Income Tax (APIT)**

The Employers are required to remit the APIT by deducting (or as per any alternative arrangement) from the remuneration of respective employees. Due tax must be deducted as per the APIT tables provided in the [IRD web portal](#).

### **Value Added Tax**

If total value of supplies exceeds or likely to exceeds for a taxable period one month or three month Rs. 20 Million. or more or in the twelve months period Rs. 80 million or at any time, there are reasonable grounds to believe that the total value of supply will be exceed the above with effect from 01.10.2022 shall be registered for VAT (However, any person who carries out a taxable activity can register for VAT irrespective of registration threshold)

Description	Rate
-------------	------

Standard Rate	From 01.12.2019 to 31.05.2022	8%
	From 01.06.2022 to 31.08.2022	12%
	From 01.09.2022	15%
Direct export of goods & supply of certain services referred to in section 7 of the VAT Act (Zero rated supplies)		0%
Supply of services by a hotel, guest house, restaurant or other similar businesses providing similar services, registered with the Sri Lanka Tourism Development Authority, if not less than sixty per centum (60%) of the total value of the inputs are sourced from local supplies/sources	From 01.12.2019 to 31.05.2022	8%
	From 01.06.2022 to 31.08.2022	12%
	From 01.09.2022	15%
Import of goods (fabrics) set out in the H.S. Code and description specified in Column I and II of Schedule of the Extraordinary Gazette Notification No. 2095/20 dated November 1, 2018		0%
VAT on Financial Services (On the Value Addition on Financial Services)	Upto 31.12.2021	15%
	With effect from 01.01.2022	18%

## Social Security Contribution Levy (SSCL)

Persons whose aggregate turnover

- exceeded Rs. 120,000,000/- within twelve months immediately prior to 01.10.2022, excluding the turnover from exempted articles or services;
- exceeds or likely to exceeds Rs. 30,000,000/- for any quarter commencing on or after 01.10.2022 excluding the turnover from exempted articles or services;

Shall register for SSCL. SSCL is applicable on the liable turnover.

### Liable Turnover

		Rate
Importation of any article	Importation of any article	2.5%
Manufacture of any article	85% of the turnover	
Providing a service		
Supply of Financial Service	100% of the value addition attributable to financial services referred to in the Gazette Notification issued under section 25C of the VAT Act.	
Land and improvements	100% of the liable turnover {value of improvement ( Sale value – Market Value of the bare Land to the to the date of sale) referred to in subsection (7) of section 5 of the Value Added Tax Act, No. 14 of 2002}	
Service other than above	100% of the turnover referred to in section 3(2)(c)(iii) of the Act	
Wholesale and retail sale		

Sale of any article by a registered distributor in relation to any	25% of the turnover referred to in section 3(2)(d) of the Act	
Wholesale or retail sale other than above including importation and sale	50% of the turnover referred to in section 3(2)(d) of the Act	

## Stamp Duty

Specified Instrument	Stamp Duty
Any Affidavit (Gazette Notification- Extraordinary 1809/19 (2013.05.10) w.e.f. 2013.05.13	Rs. 50/-
Any Policy of insurance for every Rs.1,000 or part thereof of the aggregate of the premia payable on the policy [Gazette Notification- Extraordinary 1789/9 (2012.12.17)] w.e.f 2013.01.01	Rs. 1/-
A Warrant to act as a notary public [Gazette Notification- Extraordinary 1789/9 (2012.12.17)] w.e.f 2013.01.01	Rs. 2,000/-
Any license issued authorizing the holder to carry on any trade, business, profession or vocation, other than any trade or business for the sale of liquor, for any period (as specified in such license)[Gazette Notification- Extraordinary 2104/5 (2018.12.31)]w.e.f. 01.01.2019	Rs.2,000 or 10% of license fee whichever is lower
Any license issued authorizing the holder to carry on any trade or business for sale of liquor for any period (as specified in such license) other than arrack licenses AFL1, AFL2, AFL3, AFL4 which are issued together with foreign liquor (FL) licenses and license for the sale of bottled toddy[Gazette Notification- Extraordinary 2104/5 (2018.12.31)] w.e.f. 01.01.2019	Rs.20,000/-

<p>Arrack licenses AFL1, AFL2, AFL3, AFL4 which are issued together with foreign liquor (FL) licenses and license for the sale of bottled toddy [Gazette Notification- Extraordinary 2104/5 (2018.12.31)]w.e.f. 01.01.2019</p>	<p>2,000.00 or 10% of license fee whichever is higher per each license</p>
<p>Any claim, demand, or request presented for the payment of any sum of money, not including any finance or service charge, due in respect of every credit card transaction entered into during any period commencing on or after January 1, 2016, where the merchant country (the country in which the purchase of goods or service or the withdrawals of money taken place) thereof is a country other than Sri Lanka, irrespective of whether it was a card present or not present transaction in any currency For every Rs.1,000 or part thereof of such sum of money [Gazette Notification- Extraordinary 1947/45 (2016.01.01)]w.e.f. 01.01.2016</p>	<p>Rs. 25/-</p>
<p>Any share certificate issued consequent to the issue, transfer or assignment of any number of shares of any company. For every Rs.1, 000 or part of thereof, of the aggregate value of such shares being the value, which in the opinion of the Assessor/Assistant Commissioner/ deputy Commissioner/ Senior Deputy Commissioner, that such shares would have fetched in the open market on the date of such issue, transfer or assignment [Gazette Notification- Extraordinary 1882/17 (2014.09.30)&amp; 1864/2(2014.05.26)]w.e.f.26. 05.2014</p>	<p>Rs.5/-</p>
<p>Any Bond or Mortgage for any definite and certain sum of money and affecting any property for every Rs.1,000 or part thereof [Gazette Notification- Extraordinary 1933/14 (2015.09.21)]w.e.f. 21.09.2015</p>	<p>Rs.1/-</p>
<p>Any promissory Note For every Rs.1,000 or part thereof [Gazette Notification- Extraordinary 1465/19 (2006.10.05)] w.e.f. 2006.10.05</p>	<p>Rs. 1/-</p>
<p>Any instrument relating to the lease or hire of any property</p>	

For every Rs.1,000 or part thereof of the aggregate lease or hire including any premium, payable for the whole term comprised in the lease or hire Agreement (other than a hire purchase agreement) Provided that where the term of the lease or hire exceeds twenty years, the aggregate hire or lease payable for the whole term comprised in the lease shall be deemed to be the aggregate of the hire or lease payable for the first twenty years of such term; [Gazette Notification- Extraordinary 1465/19 (2006.10.05)] w.e.f. 2006.10.05	Rs. 10/-
For every Rs.1,000 or part thereof of the aggregate amount payable under a Hire Purchase Agreement entered into under the consumer Credit Act, No.29 of 1982 [Gazette Notification- Extraordinary 1465/19 (2006.10.05)]w.e.f. 2006.10.05	Rs. 10/-
Any receipt or discharge given for any money or property	
Up to and including Rs.25,000.00 [Gazette Notification- Extraordinary 1530/13 (2008.01.01)] w.e.f. 2008.01.01	Exempt
Above Rs.25,000.00 Gazette Notification- Extraordinary 1530/13 (2008.01.01)] w.e.f. 2008.01.01	Rs.25/-

### **Share Transaction Levy**

<b>Description</b>	<b>Rate</b>
On the turnover (of the buyer and the seller)	0.3%

### **Betting and Gaming Levy**

<b>Description</b>	<b>Rate</b>
Betting business done through Agents - for every year commencing on or after 01.04.2015	Rs. 4,000,000/-
If live telecast facilities are issued - for every year commencing on or after 01.04.2015	Rs. 600,000/-

If live telecast facilities are not used - for every year commencing on or after 01.04.2015	Rs. 50,000/-
<b>Business of Gaming</b>	
Business of Gaming (casino) per place of business for license or renewal of a license for five years w. e. f. 31.08.2022	Rs. 500,000,00 0/-
Annual fee for the Business of Gaming (casino) per place of business w. e. f. 01.04.2015	Rs. 200,000,00 0/-
<b>Casino Entrance Levy</b>	
Who carries on the business of gaming in Sri Lanka shall collect from any person who enters the place of business of gaming	U\$ 100 or equivalent
<b>Business of Bookmaker</b>	
Tax on the gross collection on the business of book marker or Business of gaming (after deducting winning prize) if the gross collection exceeds one million rupees per one month	10%