

# **VALUE CREATION** 2021

# **FILE YOUR OWN TAX RETURN** - ONLINE (INCLUDING TAX PLANNING)

International Membership





Presented by; Athula Ranaweera

[B.Sc (Busi. Admin) Spe, FCA, FCMA, FMAAT] athula@ranaweeraasso.lk

### **INDIVIDUALS INCOME TAX**



# **Basic Tax Planning & Online Filing of Own Tax Return**

#### **CONTENT**

### **PART A - Basic Tax Planning**

- 1. Introduction to Income Tax (Imposition, Interpretations, Residency etc.)
  - 1.1 Imposition (Charging section Sec.2)
  - 1.2 Income Tax Computation
  - 1.3 Qualifying Payments & Reliefs
- 2. Sources of Income
  - 2.1 Assessable Income (Four Sources of Income)
  - 2.2 Bases of Calculation of Income (Sec. 21)
- 3. Income Tax Exempted & Excluded Income
  - 3.1 Exempted Employment Income
  - 3.2 Exempted Business Income
  - 3.3 Exempted Investment Income (Including Capital Gains)
    - 3.3.1 Exempted & Excluded Capital Gains
    - 3.3.2 Exempted Non-capital Gain Investment Income

# PART B - Online Filing Own Tax Return

- 4. Online Return Filing
  - 4.1 Important Highlights (Obtaining of TIN & PIN, Tax Payments)
  - 4.2 Filing of Online Tax Returns (E-filing)

#### **INCOME TAX**

#### Part A - Tax Planning

#### 1. INTRODUCTION

- Inland Revenue Act No. 24 of 2017.
- **Effective from** 01.04.2018 (From Y/A 2018/19).
- 1st set of amendments brought by Inland Revenue (Amendment) Act No. 10 of 2021.

#### 1.1 IMPOSITION (CHARGING SECTION - Sec.2)

**Income Tax (I T)** shall be payable for **each year of assessment** 

<u>by</u>

- (a) a person who has taxable income, or
- (b) a person who receives a final withholding payment during the year
- A resident person shall pay the IT on the <u>world income</u> while a non-resident person shall pay the IT on the <u>income arises in /from Sri Lanka</u>. (Sec. 4) The residency is explained in Section 69 of the Act.
- The double tax agreements, if any, are applicable on the income arises out of Sri Lanka.
- **Taxable Income** = <u>Assessable Income</u> **less** <u>qualifying payments</u> and <u>reliefs</u> as applicable under <u>Sec. 52</u> read along with Fifth Schedule. (Sec. 3) Detailed below.
- Assessable Income = Income from employment + business + investment + other sources (Sec.4)

<u>Note</u> - The assessable income from each source is to be computed after deducting exempt income, if any and brought forward claimable tax losses, if any.

#### 1.2 INCOME TAX COMPUTATION

#### 1.2.1 Computation Formular

Income Tax is equivalent to;

(a) (Taxable Income x Rate/s) - tax credits, if any

+

**(b)** Final withholding payment x Rate/s

**1.2.2 Tax Computation Format** - To meet the provisions of the Act, the **Tax Computation Format** could be presented as follows;

Assessable Income from Each Source;	Employme nt	Business	Investment	Others	Total					
Income	XX	XX	XX	XX	XXX					
Less;										
Exempt Income (Third Schedule)	(xx)	(xx)								
Final WHT Paid Income	-	(xx)	(xx)	(xx)	(xx)					
Specific Exclusions	(xx)	(xx)	(xx)	-	(xx)					
Especially Allowable Amounts	(xx)	(xx)	(xx)	-	(xx)					
Allowable Losses	(xx)	(xx)	(xx)	-	(xx)					
Add; General Disallowable Amounts		XX	XX		XX					
Assessable Income	XX	XX	XX	XX	XXX					
Less; (Under Sec. 52 read along with 5 <sup>th</sup> Schedule)										
(i) Qualifying Payments (To any person);										
<b>Donations</b> by <u>any person</u> to approved charities					(xxx)					
<b>Donations</b> by <b>any person</b> to Government/Gov. Institutions										
Any sum remitted to Consolidated Fund/President Fun	d by <u>Co</u> ı	porati	<u>on</u>		(xxx)					
Contribution to establish_Samurdhi family shops by Res	sident ir	ıdividu	ıal		(xxx)					
Film production/cinema construct, equip, upgrade costs	by <u>any</u>	persor	1		(xxx)					
Financial institution's acquisition or merger costs					(xxx)					
(ii) Reliefs (For Individuals only);										
Individuals <b>Personal Allowance</b> Rs.3mn (For residents &	& SL Citiz	zens)			(xxx)					
25% <b>Repair Allowance</b> on Rent (For individuals only)					(xxx)					
On <u>certain <b>Expenses</b></u> <rs.1.2mn (for="" individuals<="" resident="" td=""><td>s)</td><td></td><td></td><td></td><td>(xxx)</td></rs.1.2mn>	s)				(xxx)					
On <b>Solar Panel cost</b> <rs.600,000 (for="" individua<="" resident="" td=""><td>ls)</td><td></td><td></td><td></td><td>(xxx)</td></rs.600,000>	ls)				(xxx)					
Taxable Income					XXX					
Income Tax;										
By applying Relevant Rate/s as per First Schedule to the Act										
Less; Tax Credits										
Foreign					(xx)					
Local					(xx)					
Balance Tax Payable/(Overpaid)					XX					

# 1.3 QUALIFYING PAYMENTS & RELIEFS (DEDUCTIONS) (Sec. 52 read along with 5th Schedule)

#### 1.3.1 Reliefs (Only for Individuals) (5th Schedule)

- (i) **Personal relief** for the residents or non-resident but citizens for each year of assessment have been **increased to Rs. 3 million** w.e.f. 01.01.2020. (Not against Capital Gains)
- (ii) 25% Repair Allowance on Rent income only for individuals w.e.f. 01.04.2018.
- (iii) A **resident individual** is entitled to enjoy a **relief** on following expenses (incurred on or after 01.01.2020) up to **Rs. 1.2 million** per Y/A;
  - **Health** expenditure including medical insurance,
  - Educational expenditure incurred locally (own education or of children's education),
  - Interest on housing loans,
  - Contribution to a **local pension scheme**,
  - Expenditure on purchase of CSE listed equity/security or Treasury Bills/Bonds.
- **(iv)** Any **resident individual** who has acquired **solar panels** to fix on his premises and connected to the national grid is entitled to claim a relief <u>up to Rs. 600,000 for each Y/A</u> on account of;
  - the total expenditure on such solar panels or
  - the amounts **paid to a bank** in respect of any loan obtained to acquire such solar panels.

    (It covers only the **panels** & not the entire **solar system** and out of lenders <u>only the</u> **banks**? Presume that these are drafting errors)

#### 1.3.2 Qualifying Payments (Applicable to any person) (5th Schedule)

- (i) **Donations** by <u>any person</u> to approved charities [5<sup>th</sup> Sch. item(1)(a)] (w.e.f. 01.04.2018),
- (ii) **Donations** by <u>any person</u> to Government/Governmental Institutions [5<sup>th</sup> Sch. item(1)(b)] (w.e.f. 01.04.2018),
- (iii) Contribution made by a <u>resident individual</u> (in money or otherwise) <u>to establish a</u> <u>shop for a female individual</u> who is from a Samurdhi beneficiary family as recommended and confirmed by the Department of Samurdhi Development. [5<sup>th</sup> Sch. item (1)(d)], (w.e.f. 01.04.2021)
- (iv) Expenditure incurred on or after 01.04.2021, by any person;
  - in the **production of a film** at a cost of <u>not less than Rs. 5 million</u>,
  - in the **construction and equipping of a new cinema** at a cost of <u>not exceeding Rs. 25 million</u>,
  - in the **upgrading of a cinema** at a cost of <u>not exceeding Rs. 10 million</u>, Provided that the maximum deduction of <u>1/3<sup>rd</sup> of the taxable income</u> of the Y/A, with the C/F & claiming facility subject to 1/3<sup>rd</sup> restriction. [5<sup>th</sup> Sch. item (1)(f)] (w.e.f. 01.04.2021).

(v) Any profit sum (changed w.e.f. 01.04.2019) paid to Consolidated Fund (w.e.f. 01.04.2019) or to the President Fund (w.e.f. 01.04.2018) by a public corporation [5th Sch. item(1)(c)],

-----

**(vi) Expenditure incurred by** any financial institution by way of cost of acquisition or merger of any other financial institution and as confirmed by the CBSL can be claimed as a qualifying payment over a period of 3 years of assessment (1/3<sup>rd</sup> per Y/A). Any balance unclaimed amount due to the limitation of AI could be carried forward and claim immediately after 3 years. [5<sup>th</sup> Sch. item (1)(e)] (w.e.f. 01.04.2021)

### 2. **SOURCES OF INCOME (Sec. 3)**

- **2.1 Sources** There are **four (4) Sources** of <u>Assessable</u> Income
  - (i) Employment Individual's Employment Income (EI) is the gain and profit from the employment.
  - **(ii) Business** A person's income from a business for a year of assessment shall be the person's gains and profits from <u>conducting the **business**</u> for the year.
  - (iii) Investment (inclusive of capital gains) A person's income from an investment for a Y/A shall be the person's gains and profits from that investment for the year. [Section 7(1)].
  - **(iv) Other Sources -** A person's income from other sources for a year of assessment shall be that person's **gains and profits** from any source whatsoever for the year, <u>not including profits</u> of a casual and <u>non-recurring nature</u>. In deciding whether **Casual and Non-recurring nature**, the intention at the time of entering the transaction is important.

#### 2.2 Bases of Calculation of Income (Sec. 21)

Out of the two bases of calculation of income, applicable base for each income is as follows;

Taxpayer	Employment	Business	Investment	Other Income
	Income	Income	Income	
Individual	Cash Basis	Accrual Basis	Cash Basis	Proper Basis*
Other	N/A	Accrual Basis	Proper Basis*	Proper Basis*
Persons				

#### 3. EXEMPTED & EXCLUDED INCOME

- 3.1 Exempted Employment Income (Sec. 09 read along with Third Schedule)
  - Capital sums paid to a person as compensation or a gratuity in relation to;
     : personal injuries suffered by the person; or
     : the death of another person.
  - The **pension** of a person where the pension income is paid by the Government of Sri Lanka or a department of the Government of Sri Lanka.
  - An amount paid to an employee at the <u>time of **retirement**</u> from;
     : any <u>pension fund</u> or the income portion (interest on or after April 1, 1987) of <u>ETF</u>;
     : a **provident fund** <u>approved</u> by the CG or a <u>regulated</u> provident fund. (Capital + Interest)
  - The income of an individual entitled to **privileges** to the extent provided for **by**: a <u>diplomatic immunities</u> law or a similar law;

- : an Act giving effect to the Convention on the Privileges and Immunities of the <u>United Nations</u> and the Convention on the Privileges and Immunities of the <u>Specialised Agencies</u> of UN; or
- : regulations made under this Act relating to an <u>international organisation</u>, or a law or Act referred to in subparagraph (i) or (ii).
- Benefits received or derived by an employee of the government of Sri Lanka from a **road vehicle permit** issued to that employee.

#### 3.2 Exempted Business Income (Third Schedule to the Act)

Industry/Legislation	To Whom		Exemption period
Strategic Development Projects (SDP) [Sec.9(3)-IR Act]	Both	As approved	As approved
Realization Gain on land or building sold to REIT	Both	01.04.2021	Open
Non-resident's certain service income from the SL Airlines Ltd	Non- residents	01.04.2018	Open
Agro-farming	Both	01.04.2019	5 Years
IT & Enabled Services	Both	01.01.2020	Open
Local/foreign services to be utilized outside SL	Both	01.01.2020	Open
Vocational Educational Institute expansion (doubling students)	Both	01.04.2021	5 Years
Gold, gems, jewellery exports & gem processing for export	Both	01.04.2021	Open
Non-resident's laboratory & standards certification services	Non- residents	01.01.2020	Open
Recycling & sale of such recycled construction materials	Both	01.04.2021	10 Years
Businesses commenced after successful vocational education	Both	01.04.2021	5 Years
Boat and ship building	Residents	01.04.2021	7 Years
Solar or wind power projects not less than 100 MW	Both	01.04.2021	7 Years
Construct communication towers & install appliances	Residents	01.01.2021	5 Years
Letting out bonded warehouses for offshore businesses	Both	01.04.2021	Open

#### 3.3 Exempted Investment Income

#### 3.3.1 Exemptions & Exclusions on Capital Gains

#### • Tax Exempted Capital Gains

(a) Gain on realisation of <u>principals place of residence</u>, if it is owned continually for 3 years immediately before disposal and lived-in minimum of 2 years during that 3 years.

- (b) Gains received by a resident individual on capital assets that <u>does not exceed Rs. 50,000</u> per asset and does not exceed Rs 600,000 per year.
- (c) Gains on <u>shares quoted</u> in any official list published by any stock exchange licensed by the Securities Exchange Commission (SEC) Sri Lanka.

# • Capital Gains Excluded for taxation

- (a) Transfer to a spouse/ex-spouse
- (b) Transfer on death
- (c) Transfer to an associate (refer Sec. 196)/charitable institution (refer Sec. 195)
- (d) Transfer by way of a gift
- (e) Transfer of assets of a business to an associate

# 3.3.2 Exemptions on Non-Capital Gain Income

Industry	To Whom (resident/N R)	Effective date	Exemption period
Dividends paid by a resident company, which are covered under item (oo) of 3rd Schedule.	-	3 <sup>rd</sup> Schedule (00)	3 <sup>rd</sup> Schedule (00)
<b>Dividends &amp; disposal gains on shares</b> in a non-resident Co. (having ≥ 10% shares/control) [3 <sup>rd</sup> Sch. (r)]	Both	w.e.f. 01.04.2018	Open
Dividends & gains (capital gains & business income) on the realization of units or amounts derived as gains from the realization of capital assets of a business or investment by a unit holder, from Real Estate Investment Trust (REIT) listed in the CSE. [3rd Schedule (rr)]	Both	01.04.2021	Open
Interest Earned by any charitable institution, only if it applies for the purpose of providing care for children, the elderly or disabled in a home maintained by such institution. [3rd Schedule (i)]	Both	01.04.2018	Open
Interest Earned by any person outside SL (overseas lenders) on any loan granted to any person in Sri Lanka	Non- resident	01.04.2018	Open
Interest Earned by any person on any foreign currency deposits in any commercial/specialised bank with CBSL approval on or after 01.01.2020	Both	01.01.2020	Open
Interest Earned by any person from any Special  Deposit Account under Foreign Exchange Act in  Rs./foreign currency on or after 08.04.2020	Both	08.04.2020	Open
Interest Earned by any welfare society	Both	01.04.2021	Open

Interest Earned by any multi-national company on any FC deposit in bank, to cover its import expenses for that year of assessment, on or after 01.04.2021	Both	01.04.2021	Open
Any interest, discount or realization gain of a non- resident person on any FC Sovereign Bond	Non- resident	01.04.2018	Open
Interest or discount paid or allowed to any person on any FC Sovereign Bond & SL Development Bonds	Both	01.04.2018	Open
<b>Realization Gains</b> of SL international sovereign bonds by a commercial bank/authorized dealer making aggregate investment ≥USD 100 mn on or after 01.04.2021.	Both Banks	01.04.2021	Open
Interest or discount earned on or after 01.04.2021 by any Samurdhi community-based banks from security/treasury bonds or treasury bills.	Both	01.04.2021	Open

# Part B - Filing of Tax Return

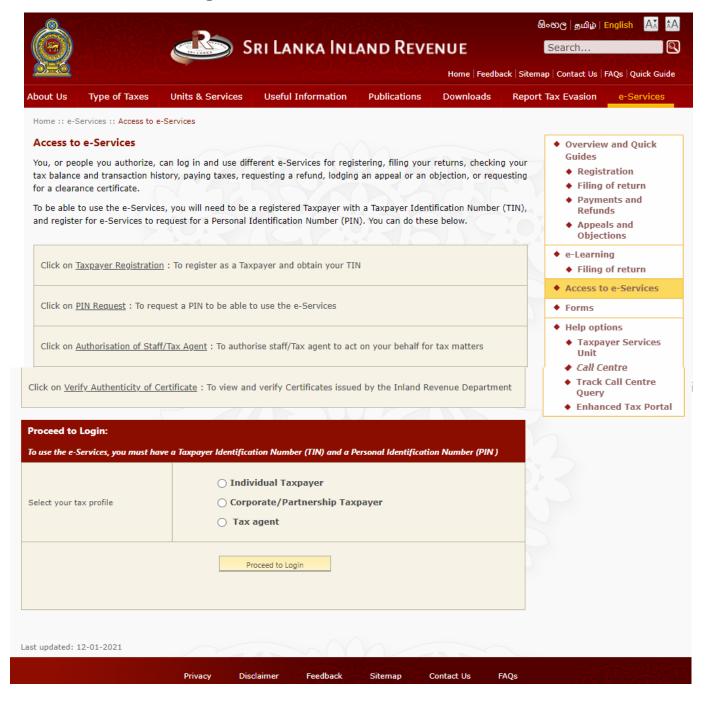
# 4. <u>Individual Income Tax Return - E-filling for the Y/A 2020/2021</u>

# 4.1 A few important highlights

What a Year of Assessment is (Y/A)?	Period starting from 01st April of a year and ending by					
	31st March of the immediate subsequent year.					
	Eg, Y/A 2020/21,					
Who should File an income tax	Every person chargeable with Income Tax.					
return?						
What is the minimum income of an	Depends on the availability of tax reliefs & qualifying					
individual to be liable to income	payments (QP). Taxable Income = AI - Relief & QP					
tax?						
What are the Reliefs available?	As detailed in para 1.3.1 above.					
What are the QPs available?	As detailed in para 1.3.2 above.					
When to pay IT?	Self-Assessment basis in 4 quarterly instalments (within					
	1 1/2 months from end of each quarter) + Final (on or					
	before 30th September of immediate subsequent Y/A)					
How to pay IT?	By way of WHT (AIT) or on self-assessment basis.					
What WHT is on remuneration?	APIT (Advance Personal Income Tax)					
Is APIT mandatory?	Non-residents :- Mandatory.					
	Residents :- Optional.					
What are the other WHTs	<ul> <li>Winnings from a lottery, reward, betting or gambling –</li> </ul>					
applicable to any person?	14% Final WHT.					
	• Gems sold by any person in a NGJA auction – 2.5% Final					
	WHT.					
What are the other WHTs	<ul> <li>Services fee (land, sea, air transport or</li> </ul>					
applicable only to non-resident	nt telecommunication) – 2% Final WHT.					
person?						

Can a WHT non liable person pay	Yes, if needed may make requests to the agents for AIT						
WHT?	(Advance Income Tax) deduction on such payments.						
What tax returns to be filed?	<b>Estimated Return</b> – on or before 15 <sup>th</sup> August of the Y/A.						
	<b>Final Return</b> – On or before 30 <sup>th</sup> November of						
	immediate subsequent Y/A.						
How to file tax returns?	Manual (For individuals only)						
	• Online (For individuals optional, but for entities						
	mandatory)						
What are the initial requirements to	(i) Obtaining of a <b>TIN</b> . (Online/manually)						
process online filing?	(ii) Obtaining of <b>PIN</b> (Online)						
What are the requirements to	If manually;						
obtain an individual's <u>TIN</u> ?	<ul> <li>Application for Taxpayer Registration (TPR_002)</li> </ul>						
	<ul> <li>Application for Tax Type Registration (TPR_005)</li> </ul>						
	Salary Slip						
	NIC Copy						
	<ul> <li>Documents to prove the residential address.</li> </ul>						
	Within a day, can collect the TIN.						
	If Online;						
	<ul> <li>Log in to IRD Web &amp; click access to e-service.</li> </ul>						
	Click "Taxpayer Registration" link, fill the application						
	and upload scanned copies of the above documents.						
	Within about 5 days receive the TIN through email.						
What are the requirements to	Online;						
obtain <u>PIN</u> ?	<ul> <li>Log in to IRD Web &amp; click access to e-service.</li> </ul>						
	Click "PIN Request" link, fill the form and submit &						
	receive the acknowledgement.						
	Download the acknowledgement & email it to						
	pr@ird.gov.lk along with the NIC copy.						
	Within about 5 days receive the PIN through email.						
Even after receiving the hard copy	Yes, no issue.						
of tax return, can we file online							
return?							

#### 4.2 Online Return Filing



- Individual Income Tax return comprised with following:
  - **1.** Main Return
  - **2.** Schedule 01 Employment Income
  - 3. Schedule 02 Business Income
  - **4.** Schedule 03 Investment Income
  - **5.** Schedule 04 Other Income
  - **6.** Schedule 05 Qualifying payments & Expenditure relief
  - 7. Schedule 06 Final Withholding Payments
  - 8. Schedule 07 Withholding tax
  - 9. Schedule 08 Tax Calculation

- **10.** Schedule 09 Tax credits
- **11.** Schedule 10 Losses
- 12. Statement of Assets & Liabilities
- **13.** Declaration
- **14.** Confirmation

# Procedure of e-filling the IIT

- First, log into the Individual Taxpayer's profile in RAMIS through the PIN.
- Select "IIT" from the "Return/Schedule Management" field and require to **tick** the respective **year of assessment** to continue when click the proceed.
- The "Main return" page is linked to the schedules.
- We can access to each schedule by:
  - 1. Clicking the schedule links shown in respective value cage of the main return, or
  - **2.** Clicking the "Next" button in the bottom of the main return page.

# Schedule 01 - Employment Income

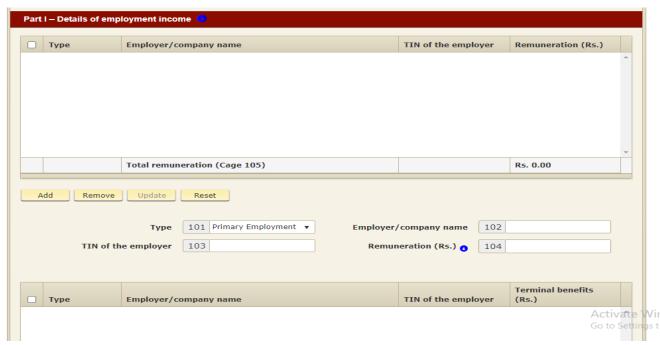
## Part I - Details of Employment income

- Include two tables to enter the details of <u>current employment</u> income and the <u>terminal benefits</u> respectively.
- Filling the cages below the table including the relevant details (Type, Employer name & TIN No, remuneration), require clicking "ADD" button to feed the details to the table.

(Same procedure is applied for the table of terminal benefits.)

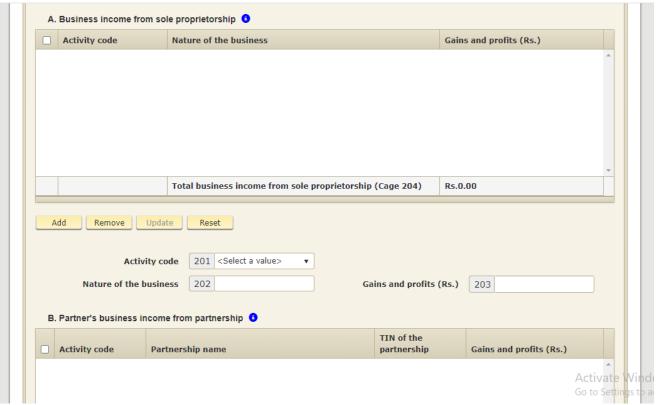
# Part II - Employment Income - Exempt amounts

• Fill this cage by the exempt employment income amount, if any. (Applied the same structure as above).



# **Schedule 02 - Business Income**

**Part I – Details of Business income (**Composed with 03 tables for business income of sole proprietorship, partnership & trust respectively.)



# Part II - Business Income - Exempt amounts

• Fill this cage by the exempt business income amount, if any. (Applied the same structure as above).

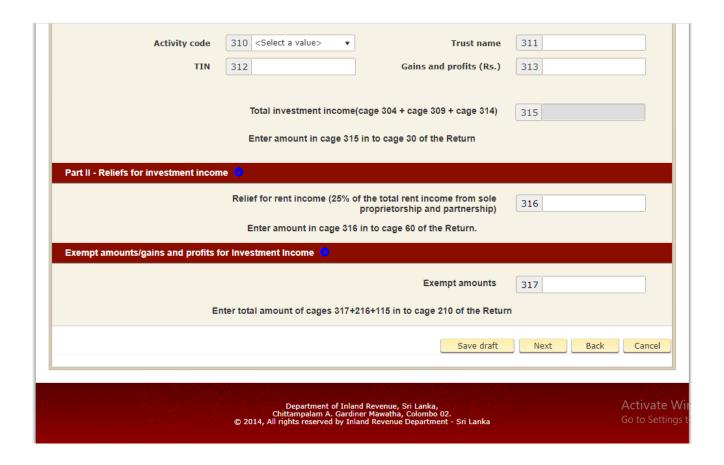
# **Schedule 03 - Investment Income**

#### Part I - Details of investment income

- Include 3 tables.
  - **Table A** Investment income of an individual (Rent, Interest, Commission etc.)
  - Table B
     Investment income from partnership
  - **Table C** Investment income from Trust

#### Part II - Reliefs for Investment Income

- Include the reliefs on investment income. The only relief for investment income is the 25% relief on total (gross) rental income.
- Include Exempt investment income amount in the "317" cage.



# **Schedule 04 - Other Income**

- Includes the income earned by an individual other than from employment, business and investments.
- Note: This schedule also includes the same structure as in employment income.

# Schedule 05 - Qualifying Payments & Expenditure Relief

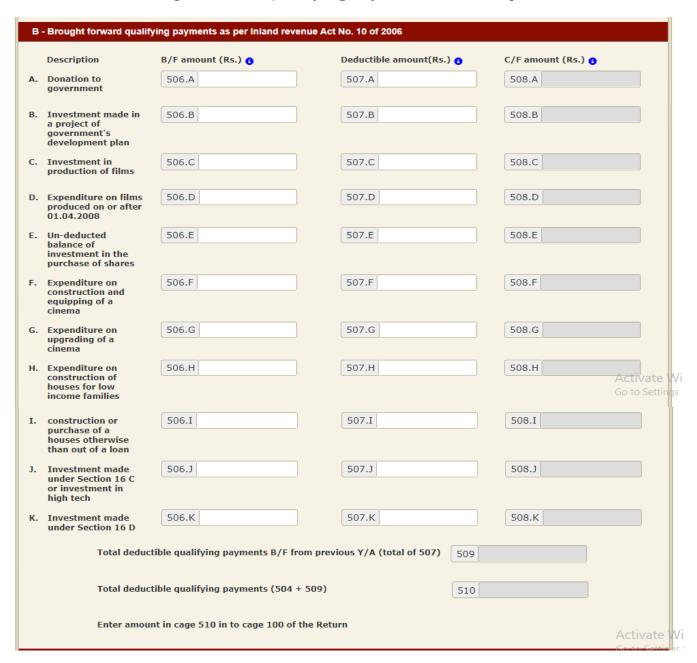
# Part A: Qualifying Payments - IR Act No. 24 of 2017

• Includes the donations made for:

Approved Charity
Government
Other Specified Institutions

# Part B: Qualifying Payments - IR Act No. 10 of 2006

• Enter the brought forward **Qualifying Payments** under the previous Act.



# **Part C: Expenditure Relief**

- There are five types of Expenditure Reliefs that are allowable to deduct.
  - 1. Health expenditure
  - 2. Educational expenditure
  - 3. Housing loan interest
  - 4. Contributions made to any local pension scheme
  - 5. Expenditure for purchase of shares listed in CSE

• Note: Incurred amount <u>up to Rs.1.2Mn</u> can be deducted from Total Assessable Income for a year of assessment.

# **Schedule 06 - Final Withholding Payments**

**Part A** - Includes the WHT which deducted by withholding agent

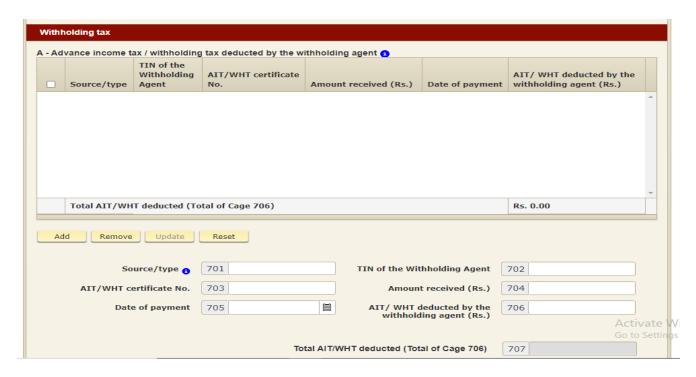
**Part B** – Includes the WHT which failed to deduct by withholding agent.

# **Schedule 07 - Withholding Tax**

Include two tables

**Table A - WHT / AIT deducted by withholding agent** 

**Table B -** WHT which failed to deduct by the withholding agent

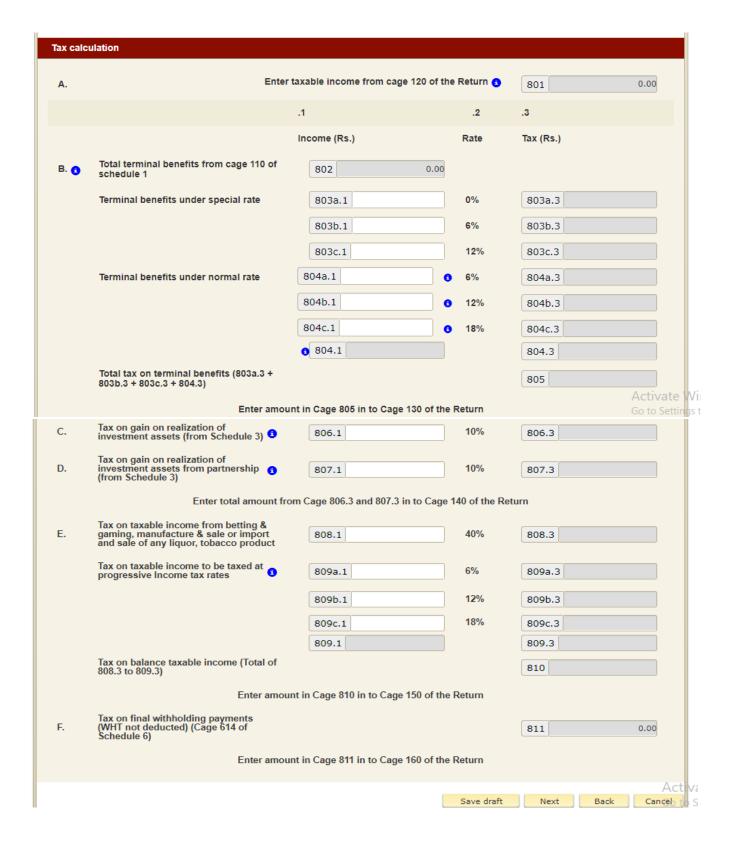


# **Schedule 08 - Tax Calculation**

- This schedule is for the calculating of tax amount in accordance with the taxable income.
- It should enter the relevant taxable amount in the relevant cages to calculate the tax for the year of assessment.
  - **Part A –** Taxable Income for the year of assessment.
  - **Part B -** Tax on terminal benefits

- Part C Tax on gain of realization of investment assets
- Part D Tax on gain of realization of investment assets from partnership
- **Part E –** Tax on products tobacco, liquor (40% rate)

  Tax on balance taxable income (on progressive rate)
- **Part E –** Tax on final withholding payments (WHT not deducted) Connecting from Schedule 06.

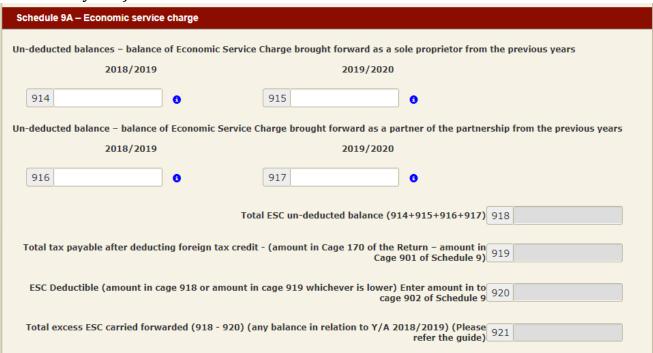


# **Schedule 09 - Tax Credits**

• Include the tax credits (foreign tax credits, APIT, AIT, ESC, Partnership tax etc.)

Schedule 9 Tax credit	
Foreign tax credit ()	901
ESC deductible (Cage 920 of Schedule 9 A)	902
APIT paid on Employment income - primary employment (Attach APIT-T 10 Certificate) 3	903A
	903B
	903C
APIT paid on Employment income - secondary employment (Attach APIT-T 10D Certificate) 3	904A
	904B
	904C
Tax paid for terminal benefits (Attach PAYE T-13 certificate) 3	905
Partner's share of partnership tax - (enter amount in cage 925 of Schedule 9 B )	906
AIT from the partnership - (Enter amount in Cage 726 of Schedule 7 C)	907
Advance income tax credit - (Enter amount in Cage 710 of Schedule 7 A)	908
Tax paid on gain on realization of investment assets (CGT) 3	909
Tax paid on gain on realization of investment assets from the partnership 🟮	910
Installment payments and AIT/WHT paid by withholdee - (Enter amount in Cage 934 of Schedule 9C)	911 0.00
Total tax credits (Total of cage No. 901 to 911)	912 0.00
Enter amount in cage 912 in to cage 180 of the Return	

- Need to enter the amounts in the relevant cage as specified in the return.
- <u>ESC</u> Cages are available to declare brought forward amounts as well (can claim 1+2 years).

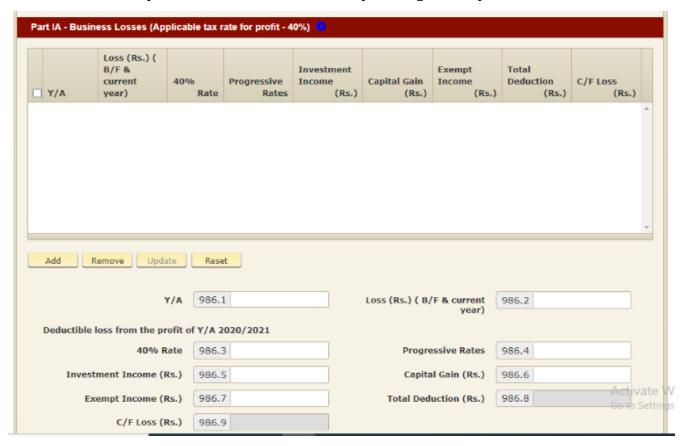


- <u>Partners share of Partnership Tax</u> Include the taxpayer's partnership tax details (brought forward and current year amounts).
- **Schedule 9C** Include self-assessment payments by the taxpayer within the Y/A.

Schedule 9B – Partners share of parti	nership tax						
Balance partner's sha	re of partnership tax bro	9/2020 🙃	922				
	Partner's share of partn	nership tax paid for 2020	0/2021 🙃	923			
	Total partner's sha	are of partnership tax (9	922+923)	924			
	uctible amount of partne	•	-	925			
Excess partner's share of partn	ership tax carried forwa	rded (924 - 925) (any b relation to the Y/A 20		926			
Schedule 9C – Instalment payment ar	d AIT/WHT paid by withh	noldee					
	Payment date			Amount pa	id (Rs.)		
1st Installment	927a		927b				
2nd Installment	928a	<b>=</b>	928b				
3rd Installment	929a		929b				
4th Installment	930a		930b				
Final Payment	931a		931b				
Total self-a	ssessment payment (92	7+928+929+930+931)	932				
AIT/WHT paid by withholdee (Enter	amount in Cage 614 of 9	Schedule 6B and 721 of Schedule 7B)	933		0.00		
Total	Total installment payments and AIT/WHT payments						
Enter amount in cage 9	34 in to cage 911 of Sch	nedule 9.					
							Activate \
			Save d	raft	Next	Back	Go Cancel tin

# Schedule 10 - Losses

- Includes the losses from four sources of income (Employment, Business, Investment and Other Income).
- Note: Exempt losses can be deducted only through exempt income.



# **Statement of Assets & Liabilities**

- Includes Assets and Liabilities which are owned by the taxpayer.
- Assets as at 31.03.2021

Part 1: includes immovable and movable properties to declare

• <u>Liabilities as at 31.03.2021</u>

Includes the liabilities which are held by the taxpayer.

• <u>Part 2</u>

Table 01 - For the assets acquired or gifts received during the Y/A

Table 02 - For the assets which are disposed during the Y/A

### **Declaration**

- If the return is prepared by another person (any other person including an approved accountant), the **part A** of the declaration form should be filled.
- If not, **Part B** should be filled by the taxpayer.

Declaration	
Whether the votum or part of the votum is n	arean red by an approved accountant or any other percenter a
whether the return or part of the return is p	prepared by an approved accountant or any other person for a payment?
(If "Yes" fill PART -A and att	●Yes ○No tach the certificate/s issued by such person.)
Part – A : Details of approved accountant/any o  Name :	other person
Designation :	
Telephone number :	
Mobile:	
Email:	
Date of the certification	
* If more than one person involved, use a separate	sheet to fill the above details and attach to the return
	and belief that all particulars furnished in the Return of Income are true, correct and correct, false, or misleading statement is an offence.
Full name of the declarant :	
Telephone number:	
Mobile:	
Email:	
NIC number/Passport number	
Date:	
Declare income and other particulars for the y Attach tax computation, accounts if relevant 8 Duly completed return of income and attached November, 2021. Penalties are imposed on any person who has Penalties and interest shall be imposed for no If marked "YES" for above in section 02, attac	any other documents required to be submitted documents should be submitted to the inland revenue department on or before 30th not submitted a return or submitted an incorrect return in-payment of taxes on due dates.  The asparate certificate/s issued by the approved accountant or any other person issued lived, the documents examined by him and the information relied upon by him. Such
	Save draft Back Next Cancel

# A draft format of a declaration under Part A is given below;

Certificate to comply with Section 126(5) of the Inland Revenue (Amendment)Act No. 10 of **2021** 

As per the agreed upon assignment with the taxpayer, I/we have assisted in preparing the tax return of ...... for the year of assessment ..... by relying on the information and documents provided by the taxpayer and state that we have not verified the accuracy or completeness of such documents and information.

## **Confirmation**

- This depicted a summary of the whole process done.
- If there is any error, we can correct by using "amend" button which allows to go back to the main return.
- Taxpayer is allowed to upload the supporting documents with reference to his declared income sources.
- If the computation is accurately done, we can submit it by using "submit" button after getting a printout/saving as a PDF of the summery output. (Do not Submit without taking a print/saving as a PDF).
  - Upon submitting, we receive an acknowledgement. Advisable to take a printout of the same/save as a PDF immediately.

#### FOR FURTHER CLARIFICATIONS PLEASE COMMUNICATE WITH US .......

# Thank You!

ATHULA RANAWEERA (BSc., FCA, FCMA, FMAAT)

Managing Partner: Ranaweera Associates (Chartered Accountants) Managing Director - Assent Advisory Partners (Pvt) Ltd.

Assent Secretarial Consultants (Pvt) Ltd.

+94 777 305 123,

athula@ranaweeraasso.lk athula@assentadvisory.lk

For timely tax topics you may follow: - Ranaweera Associate's Tax Talk YouTube Channel













# **APPLICATION FORM FOR TAXPAYER REGISTRATION**

(For Individual and Proprietorship)

All fields marked with * are Mandatory Please fill up the form using BLOCK LETTERS																
SECTION A (For Sri Lanka C	itizeı	n)														
National Identity Card Number (	NIC)	*	:													
Name with Initials (English)*	:															
(Sinhala)	:															
(Tamil)	:															
SECTION B (For Foreigner)																
Passport No. *	:															
Date Expiry of Passport *	:	D	D	/	Μ	Μ	/	Y	Y	Y	Y					
Date of Arrival to Sri Lanka *	: [	D	D	/	М	М	/	Y	Y	Y	Y					
Country of Issuance of Passport *	:															
SECTION C																
Salutation *	: [	<b>]</b> R	Rev.		Prof.		Dr.		Mı	ſ <b>.</b>		Ms				
Full Name of Applicant (English) *	:															
(Sinhala)	:															
(Tamil)	:															
Date of Birth *	:	D	D	1	M	M	/	Y	Y	Y	Y					
Country of Birth	:															
Gender * : ☐ Male ☐	Fei	male	)	Na	tiona	lity *	:									
Preferred Language *	:		Sinh	nala			Tan	nil			Engli	sh				
IRD will use this preferred language to	send	_			_			ns								
Preferred Mode of Alert *	:	Ц	SMS			Ema		_	1 -		-		, –	<b>1</b> ~ .		
Source of Income * :	loym	ent		Bus	ıness		Ren	t L	<b>J</b> Int	teres	/Div	ıden	d <b>L</b>	JOth	er	
Occupation /Others :																
					-1	-										

PERMANENT AD	DRESS	
(English) *		
Premises No.	: Unit No. :	
Address	:	
	Postal Code :	
(Sinhala)		
Premises No.	: Unit No. :	
Address	:	
(Tomil)	Postal Code :	
(Tamil) Premises No.	: Unit No. :	
Address	:	
	Postal Code :	
Province *	: District * :	
Divisional Secretariat	* : Grama Niladhari Division *:	
RESIDENTIAL AI	DDRESS	
(English) *		
Premises No.	: Unit No. :	
Address	:	
	Doctol Codo	
(Sinhala)	Postal Code :	
Premises No.	: Unit No. :	
Address	:	
11001000		
	Postal Code :	

(T) (I)		
(Tamil) Premises No. :	Unit No. :	
Address :		
	Postal Code :	
Province * :	District * :	
Divisional Secretariat* :	Grama Niladhari Division *:	
FOREIGN ADDRESS		
Address (English) :		
Country		
CONTACT DETAILS * Please fill in at least 1 contact		
Mobile :	Office:	
Home :	Email	
BANK INFORMATION		
Bank Name :		
Account Number :		
FAMILY INFORMATION		
Civil Status :  Single	Married	
SPOUSE INFORMATION  If marital status is married, please fi	ll in spouse and child information.	
Full Name of Spouse :		
NIC of Spouse	:	
TIN of Spouse (if any)	:	
CHILD INFORMATION:		
No Name	NIC (if Any) Date of Birth	Gender
	3	

INDIVIDUAL BUSINESS If you have more than one proprie	etorsh	ips ple	ease f	ill in	Арре	ndix A	4										
Name of Business *	:		J		- 1 1												
Registration No. *	:																
Principal Activity of Business	* :																
Date of Commencement *	:	D	D	/	Μ	M	/	Y	Y	Y	Y						
BOI Registered *	:		Yes			No											
BOI Start Date	:	D	D	/	Μ	Μ	/	Y	Y	Y	Y						
BOI Expiry Date	:	D	D	/	М	M	/	Y	Y	Y	Y						
Is it your Primary Business * ADDRESS * (English)	:		Yes			No					_						
Premises No. :								U	Init N	lo.	:						
Address :																	
											Post	al C	ode	:			
if you wish to register tax type, pl	lease (	also fi	ll in A	APPL	ICAT	TION	FOR	TAX	TYP	E RE				:			
		v									GIST	TRA T	TION	l	on		
if you wish to register tax type, pl  If application is submitted by  Name :		v									GIST	TRA T	TION	l	on		
If application is submitted by	an au	ıthoriz									GIST	TRA T	TION	l	on		
If application is submitted by Name :	an au	ıthoriz									GIST	TRA T	TION	l	on		
If application is submitted by  Name :  National Identity Card / Passp	an au	ıthoriz									GIST	TRA T	TION	l	on		
If application is submitted by  Name :  National Identity Card / Passp	an au	ıthoriz									GIST	TRA T	TION	l	on		
If application is submitted by  Name :  National Identity Card / Passp  Designation :	oort N	No.	zed p	perso	n, ple	ease s	pecif	y the	nam	ne of	the a	uthor	rized	pers	on		
If application is submitted by  Name :  National Identity Card / Passp  Designation :  AUTHORIZATION *	oort N	No.	zed p	perso	n, ple	ease s	pecif	y the	nam	ne of	the a	uthor	rized	pers	on		
If application is submitted by  Name :  National Identity Card / Passp  Designation :  AUTHORIZATION *  I do hereby certify that the part	oort N	No.	zed p	perso	n, ple	ease s	pecif	y the	nam	ne of	the a	uthor	rized	pers	on		
If application is submitted by  Name :  National Identity Card / Passp  Designation :  AUTHORIZATION *  I do hereby certify that the part  Name :	oort N	Jo.	zed p	perso	n, ple	ease s	pecif	y the	nam	ne of	the a	uthor	rized	pers	on		
If application is submitted by  Name :  National Identity Card / Passp  Designation :  AUTHORIZATION *  I do hereby certify that the part  Name :  Designation :	oort N	Jo.	zed p	perso	n, ple	ease s	pecif	y the	nam	ne of	the a	uthor	rized	pers	on		
If application is submitted by  Name :  National Identity Card / Passp  Designation :  AUTHORIZATION *  I do hereby certify that the part  Name :  Designation :  National Identity Card / Passp	oort N	No.	zed p	perso	n, ple	ease s	pecif	y the	nam	ne of	the a	uthor	rized	pers	on		



# **APPLICATION FOR TAX TYPE REGISTRATION**

All fields marked with \* are Mandatory Please fill up the form using BLOCK LETTERS **Taxpayer Identification Number (TIN)** NIC / Business Reg. No. / Institute Reg. No.\*: If Tax Type Registration is together with TIN, TIN is not applicable. Please provide NIC/Business Reg. No./Institute Reg. No. instead ☐ Income ☐ PAYE □ VAT □ NBT □ WHT Tax Type \* □ ESC □ VAT on FS ☐ Stamp Duty **INCOME TAX** Corporate ☐ Individual Partnership Premises No. Unit No.: Address Postal Code: Total Profit / Income for a Year : Rs. D Effective Date on Which Registration is requested **PAY-AS-YOU-EARN (PAYE)** Premises No. Unit No.: Address Postal Code : Number of Employees whose emoluments exceed PAYE threshold: Μ M Effective Date on which Registration is requested **NATION BUILDING TAX (NBT)** Premises No. Unit No.: Address Postal Code:

Total Turnover for Previous Quarter:	Rs.															
Total Turnover for Previous Year	Rs.															
Effective Date on hich Registration	s requ	ieste	d	:	D	D	/	M	М	/	Y	Y	Y	Y		
WITHHOLDING TAX (WHT)																
Premises No. :							Unit	No.	:							
Address :					'											
									Po	stal C	Code	:				
Withholding Tax Category :																
☐ Interest	]	Rewa	ırds							An	nuitie	es				
☐ Management Fees		Share	es of	Fines						Re	nt					
☐ Royalty Fees	<b>]</b>	Lotte	ry of	Prize	es					Otl	ners					
☐ Debt Securities	<b>]</b>	Bettii	ng an	d Ga	mbliı	ng										
Effective Date on Which Registration	is re	quest	ed		:	D	D	/	M	M	[ /	Y	Y	Y	Y	
VALUE ADDED TAX (VAT)																
Tax Type Address						7										
Premises No. :							Unit	No.	:							
Address :																
									Po	stal (	Code	:				
VAT Liable Business Activity																
Effective Date on Which Registration	is req	ueste	d			:	D	D	/	M	M	. /	Y	Y	Y	Y
Date of First Transaction on Taxable S	uppli	es up	to n	ow/		:	D	D	/	M	I M	. /	Y	Y	Y	Y
Estimated Date to make Taxable Supp	lies					:	D	D	/	M	I M	. /	Y	Y	Y	Y
Total Taxable Supply up to now	Rs															
Estimated value of taxable supplies in	the n	ext tv	velve	mon	ths	:	Rs.									
							L	ı	1	1	1	ı	1	1	1	1

Premises No. :	Unit No. :
Address :	
	Postal Code :
VAT Registration Type	:
	$\square$ Without Supply Basis (22(7)) $\square$ Deemed Supply Registration (10(C))
	☐ Special Project
Register for Cash Basis (For 22(7) and 10(C))	: ☐ Yes ☐ No
If you are registering for FORM FOR SEC 22(7) /	r Sec 22(7) or Special Project or Strategic Development Project, please fill in APPLICATION / SP / SDP as well
VALUE ADDED TAX	ON FINANCIAL SERVICES (VAT on FS)
Tax Type Address	
Premises No. :	Unit No. :
Address :	
	D .10.1
	Postal Code :
Financial Year	:   January – December   April - March
Liable Business Activity	· :
Total value of supplying	g of Financial Services for 3 months : <b>Rs.</b>
Total value of supplying	g of Financial Services for 12 months: Rs.
Effective Date on which	Registration is requested : D D / M M / Y Y Y Y
	to send letters to different address for each of different tax matters, please first check with officer whether the Tax Type address above.
	ted by an authorized person, please specify the name of the authorized person
If application is submitte	
If application is submitted Name :	
Name :	/ Passport No ·
	/ Passport No. :

National Identity Card / Passport No. :	/ M M / Y Y Y Y	esignation : ational Identity Card / Passport No. : gnature :		y Certi	fy that t	he part	ticulars	s furnis	shed b	y me ir	this ap	plicatio	n are	true a	nd co	orrect	t.				
National Identity Card / Passport No. : Signature : D D / M M / Y Y Y Y	/ M M / Y Y Y	ational Identity Card / Passport No. :	Decignation	: [																	
Signature :  Date : D D / M M / Y Y Y Y	/ M M / Y Y Y	gnature :  ate : D D / M M / Y Y Y Y	ocsignation	ı :																	
Date : D D / M M / Y Y Y		ate : D D / M M / Y Y Y	National Id	dentity	Card /	Passpo	ort No.	:													
			Signature	: [																	
te: This form to be submitted along with supporting documents (If any) to the Help Desk at the nearest IRD br	ed along with supporting documents (If any) to the Help Desk at the nearest IRD brance	This form to be submitted along with supporting documents (If any) to the Help Desk at the nearest IRD brance.	Date	:	D D	/	M I	M /	Y	Y	YY										
e: This form to be submitted along with supporting documents (If any) to the Help Desk at the nearest IRD br	ed along with supporting documents (If any) to the Help Desk at the nearest IRD brance	r: This form to be submitted along with supporting documents (If any) to the Help Desk at the nearest IRD branc		_								_									
e: This form to be submitted along with supporting documents (If any) to the Help Desk at the nearest IRD br	ed along with supporting documents (If any) to the Help Desk at the nearest IRD branc.	: This form to be submitted along with supporting documents (If any) to the Help Desk at the nearest IRD branc.					_			_					_	_				_	
			e: This fo	rm to	be subr	nitted c	along v	vith su	pporti	ng doc	uments	(If any)	to the	Help	) Des	k at t	he ne	earesi	t IRD	bran	ıci