

RECENTLY PROPOSED/LEGALISED TAX REFORMS & PRACTICAL APPLICATION - 2022/23 Onwards

- **Income Tax (TIN, Tax Liability, Tax Payments & Filing of Returns etc.)**



Tax Knowledge Sharing Session

Presented by;

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RECENTLY PROPOSED/IMPLEMENTED TAX REFORMS & PRACTICAL APPLICATION - SPECIALLY 2022/23

Recent Legislations/ Proposed Amendments;

Inland Revenue (Amendment) Act No. 04 of 2023

- Certified on 08th May 2023

Value Added Tax (Amendment) Act No. 32 of 2023

- Certified on 13th December 2023

Value Added Tax (Amendment) Bill of 14.12.2023

- Pending Legislation

(For reduction of registration threshold up to Rs. 60mn p.a. & tax rate increase from 15% to 18%)

VAT Gazette No. 2363/22 of 19.12.2023 (Rate increase from 15% to 18%)

Social Security Contribution Levy (Amendment) Bill of 29.12.2023

- Pending Legislation

(For reduction of registration threshold up to Rs. 60mn p.a.)



RECENTLY PROPOSED/IMPLEMENTED TAX REFORMS & PRACTICAL APPLICATION - SPECIALLY 2022/23

COVERAGE

1. **Income Tax – Introduction (Imposition, Computation, TIN & Return)**
2. **Inland Revenue (Amendment) Act No. 45 of 2022 & No.04 of 2023**
 - 2.1 **Individuals** *(Including Employment Income)*
 - 2.2 **Corporates**
 - 2.3 **Withholding Tax (WHT)**
 - 2.4 **Other Matters**
 - 2.5 **Amendments under No.04 of 2023**
3. **Individual Tax Return (Attachment)**
 - 3.1 **Annexure 01 – Frequently Asked Questions**
 - 3.2 **Annexure 02 – Screenshots of IRD site**

Reference Slide No.

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INCOME TAX



1. INCOME TAX - INTRODUCTION

1.1 Legislation - Inland Revenue Act No. 24 of 2017 as amended by the Inland Revenue (Amendment) Act No. 10 of 2021, (Amendment) Act No. 45 of 2022 & (Amendment) Act No. 04 of 2023.

1.2 Imposition (Charging Section - Sec. 2)

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

(a) a person who has taxable income, or

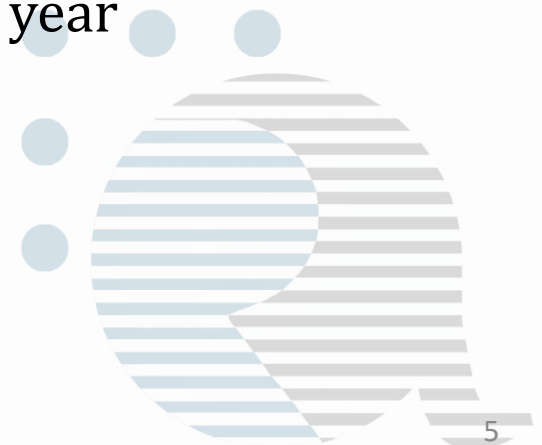
(b) a person who receives a final withholding payment during the year

The Tax is equivalent to;

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

PLUS

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



1. INCOME TAX - INTRODUCTION

1.2 Imposition (Contd..) -

- **Year of Assessment (Y/A)** means the period of 12 months commencing on the 1st day of April of any year and ending on the thirty first day of March in the immediately succeeding year. (Sec. 20)
- **Person** means an individual¹ or entity (company², partnership³ or trust⁴)
- **Taxable Income** = Assessable Income less ¹qualifying payments and ²reliefs as applicable under Sec. 52 read along with Fifth Schedule. (Sec. 3)

- **Assessable Income** = Income from ¹employment + ²business + ³investment + ⁴other sources (Sec. 4)

Note - The assessable income from each source is to be computed after deducting exempt income, if any.

- Individual's **Employment Income** is the **gain and profit from the employment**. (cash & non-cash benefits)
- 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)].
- A person's **income from a business** for a Y/A shall be the person's **gains and profits** from conducting the business for the year. (Sec. 6)
- A person's **income from other sources** for a Y/A shall be the person's **gains and profits** from any source whatsoever for the year, not including profits of a **casual** and **non-recurring** nature. (Sec. 7)

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

1. INCOME TAX - INTRODUCTION

1.3 Income Tax Computation Format

Assessable Income from Each Source;	Employment	Business	Investment	Others	Total
Income	xx	xx	xx	xx	xxx
Less;					
Exempt Income (Third Schedule)	(xx)	(xx)	(xx)	(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	<u>-</u>	<u>xx</u>	<u>xx</u>	<u>-</u>	<u>xx</u>
Assessable Income	<u><u>xx</u></u>	<u><u>xx</u></u>	<u><u>xx</u></u>	<u><u>xx</u></u>	<u><u>xxx</u></u>

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

1. INCOME TAX - INTRODUCTION

1.3 Tax Computation Format (*Contd...*)

Assessable Income	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	xxx
Less; (Under Sec. 52 read along with 5 th Schedule)					
(i) Qualifying Payments;					
Donations by <u>any person</u> to approved charities					(xxx)
Donations by <u>any person</u> to Government/Gov. Institutions					(xxx)
Any sum remitted to Consolidated Fund/President Fund by <u>Corporation</u>					(xxx)
Contribution to establish Samurdhi family shops by Resident individual					(xxx)
Film production/cinema construct, equip, upgrade costs by <u>any person</u>					(xxx)
Financial institution's <u>acquisition or merger costs</u>					(xxx)
(ii) Reliefs; (<i>Only for Individuals</i>)					
Personal Allowance (Up to 31.12.2022 Rs.3mn p.a. & thereafter Rs. 1.2mn. p.a.) (<i>For residents & SL Citizens only</i>)					(xxx)
25% Repair Allowance on Rent (<i>For individuals only</i>)					(xxx)
Expenditure Relief <Rs.1.2mn p.a. (<i>Only up to 31.12.2022</i>) (<i>For Resident individuals only</i>)					(xxx)
On Solar Panel cost <Rs.600,000 (<i>For resident individuals only</i>)					(xxx)
Taxable Income					<u>xxx</u>
Income Tax;					
At Relevant Rate/s as per First Schedule to the Act					xx
Less; Tax Credits					
Foreign					(xx)
Local					(xx)
Balance Tax Payable/(Overpaid)					<u>xx</u>

1. INCOME TAX - INTRODUCTION

2.1 Individuals – TIN Registration Requirement (Sec. 102 & 103)



- Every person liable to furnish a return of income (Ref. Sec.126) for a Y/A but not registered, **shall register** within 30 days after end of Y/A by submitting specified application & required information. [Sec. 102(1)&(2)]
- The person who fails to register **shall be liable to a penalty <Rs.50,000** under Sec. 177.
- Minister with the consent of the CG may specify additional **classes of person** required to be registered. (The 1st Gazette bearing No. 2334/21 of 31st May 2023 is given in *Slide 12*) ??
- CG may assign a TIN even to a non-taxpayer, if;
 - : a person makes payments subject to tax in the hand of the recipient
 - : is/may be required to file a tax return
 - : is required under the Act/regulations made under this Act to furnish a TIN to another person
 - : is to be registered as required by the Minister with the consent of the CG.

A change of name, address, place of business or nature of the taxable activity to be notified in writing to the CG within 30 days of change. [Sec. 103(5)]

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

1. INCOME TAX - INTRODUCTION

2.1 Individuals – TIN Registration: Frequently Asked Questions (Sec. 102 & 103)

What tax returns to be filed?	Estimated Return – on or before 15 th August of the Y/A. Final Return – On or before 30 th November of immediate subsequent Y/A.
How to file tax returns?	<ul style="list-style-type: none">• Manual (For individuals only) only till 2022/23• Online (For individuals optional, but for entities mandatory)
What are the initial requirements to process online filing?	(i) Obtaining of a TIN. (Online/manually) (ii) Obtaining of PIN (Online)
What are the requirements to obtain an individual's TIN?	<p>If manually;</p> <ul style="list-style-type: none">• Application for Taxpayer Registration (TPR_002)• Application for Tax Type Registration (TPR_005)• Salary Slip• NIC Copy• Documents to prove the residential address. <p>Within a day, can collect the TIN.</p> <p>If Online;</p> <ul style="list-style-type: none">• Log in to IRD Web & click access to e-service.• Click “Taxpayer Registration” link, fill the application and upload scanned copies of the above documents. <p>Within about 5 days receive the TIN through email.</p>

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

1. INCOME TAX - INTRODUCTION

2.1 Individuals – Tax Return Filing Requirement (Sec. 126)

(1) Every person chargeable with income tax^{Who?} under this Act is required to furnish to AC a tax return in the specified form containing such particulars as may be specified by the CG either in writing¹ or by electronic means² within the stipulated time.

UNDER WHAT CIRCUMSTANCES, A RETURN OF INCOME NOT REQUIRED? (Sec. 94)

(i) In the case of a resident individual;

: who has no tax payable under Sec. 02(1)(a) *

: whose entire taxable income for a period prior to 1st April 2019 comprised with employment income subject to WHT. *(This ending date is inserted by Amendment Act No. 10 of 2021)*

(ii) In the case of a non-resident person;

: who has no tax payable for the year under Sec. 02(1)(a). *

**However, Sec.02(1)(a) refers to the persons who has no taxable income.*

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

1. INCOME TAX - INTRODUCTION

The Gazette of the Democratic Socialist Republic of Sri Lanka (Published by Authority)

EXTRAORDINARY - No. 2334/21 - Wednesday, May 31, 2023

PART I : SECTION (I) — GENERAL Government Notifications 1A- PG 6335 -456 (05/2023)

Inland Revenue Act, No. 24 of 2017 - Notice under Section 102

***For Further
knowledge***

By virtue of the powers vested in me under subsection (3) of section 102 of Inland Revenue Act, No. 24 of 2017 (hereinafter referred to as “IR Act”), I, Ranil Wickremesinghe, Minister of Finance, Economic Stabilization and National Policies, with the consent of the Commissioner General of Inland Revenue, do specify that the additional classes of persons required to register under Section 102 of the IR Act, shall be the resident persons specified in PART - A or PART - B of the Schedule hereto, other than any person who has been registered under the said Section 102 as at the date of this notification.

Ranil Wickremesinghe, Minister of Finance, Economic Stabilization and National Policies.

Ministry of Finance, Economic Stabilization and National Policies, Colombo 01, 31st May, 2022.

Schedule Part - A (With effect from June 01, 2023);

- i. Practitioners registered with the Sri Lanka Medical Council established under the Medical Ordinance (Chapter 105)*
- ii. Members of the Institute of Chartered Accountants of Sri Lanka established by Act, No. 23 of 1959*
- iii. Members of the Institute of Certified Management Accountants of Sri Lanka incorporated by Act, No. 23 of 2009*
- iv. Members of Institution of Engineers Sri Lanka incorporated by Act, No. 17 of 1968*
- v. Members of Association of Professional Bankers, Sri Lanka*

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

1. INCOME TAX - INTRODUCTION

**For Further
knowledge**

Gazette No. 2334/21 of 31.05.2023 under Sec. 102(3) (Contd...) -

- vi. Members of Sri Lanka Institute of Architects incorporated by Sri Lanka Institute of Architects Law, No. 01 of 1976*
- vii. Members of Institute of Quantity Surveyors Sri Lanka incorporated by Act, No. 20 of 2007*
- viii. Attorneys-at-Law of the Supreme Court of Sri Lanka*
- ix. The persons who registered their business in Divisional Secretariats*
- x. The persons who have vehicles registered (other than Three wheelers, Motor bicycles and Hand Tractors) in Department of Motor Traffic*
- xi. The persons who have purchased or acquired by virtue of Deeds Transfer, of any immovable property in Sri Lanka on or after April 1, 2018*
- xii. Employee whose monthly contribution from both employee and employer to any Provident Fund is more than Rs. 20,000/-*
- xiii. Any individual who obtains approval for a building plan from a Local Authority*
- xiv. Any other individual who receives payment of Rs. 100,000/- per month or Rs. 1,200,000/- for twelve months period for providing any services in Sri Lanka*

Part-B With effect from January 01, 2024, any individual who does not belong to any category in PART-A, and:-

- i. **Who is at the age of 18 years** or more as at December 31, 2023, or*
- ii. Who attains the age of 18 years on or after January 01, 2023, after attaining the age of 18 years.*

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023

2.1 Individuals

2.1.1 Changes Affecting to Individuals w.e.f. 01.01.2023

- ❖ Reduction of tax-free **Personal Allowance** from Rs. 3mn to Rs. 1.2mn p.a.
- ❖ Reduction of each **tax slab** from Rs. 3mn to Rs. 500,000.
- ❖ Changing of 6%, 12% & **18%** standard **tax slab rates** to 6%, 12%, 18%, 24%, 30% & **36%**.
- ❖ Removal of **expenditure Relief** of Rs. 1.2mn. in full.
- ❖ Removal of any persons **Income Tax exemption on Gold, Gem & Jewellery export business** w.e.f. 01.04.2023.
- ❖ **Abolition of any persons Income Tax exemption on IT & Enabled Services to local market** w.e.f. 01.04.2023. (*Exemption on export of services continues*)

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

2.1 Individuals

2.1.2 Changes which relate to Individuals w.e.f. 01.01.2023 (Contd.)



- ❖ Introduction of a 15% mandatory WHT on dividends. (A Final Tax on any person)
- ❖ Introduction of a 5% mandatory WHT on interest on any person. (Non-final tax & credit is available)
- ❖ Abolishing of the maximum income tax limit of 14% on profits in respect of **gems & jewellery** and supply of renewable sourced electricity **w.e.f. 01.01.2023.**
- ❖ No change of the following existing Income Tax rates on individuals;
 - : Higher IT rate of **40%** on **Betting & Gambling** and import/manufacture & sale of **Liquor and/or Tobacco** business incomes.
 - : IT rate of **10%** on investment Capital Gains.

Note: In the Y/A 2022/23, the 1st 9 months is to be taxed based on pre-amended Act, while balance 3 months be taxed at amended law. *(On proportionate basis, as applicable)*

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

2.1 Individuals

2.1.3 No Changes on the following Income Tax Exemptions:

- ❖ **Compensation & Gratuity** (Capital) income in relation to personal injuries or the death.
- ❖ **Government pension.**
- ❖ **Employees Retirement benefits** receiving from;
 - : the **income portion of any pension fund**,
 - : the **interest on ETF** earned on or after 01.04.1987,
 - : capital plus interest on CG approved or a regulated **provident funds**.
- ❖ **Government employees' road vehicle permit benefits.**
- ❖ Amounts derived by **Senior Citizens on life annuities** exceeding 10 years.
- ❖ **Sale proceeds of gems** by any person on which the 2.5% WHT paid (Sold at a NGJA auction).
- ❖ **Services¹ rendered in/outside SL to be utilized outside SL²** and proceeds received through a bank³ to SL in Foreign Currency⁴. (any persons)
- ❖ **Any foreign income¹ in foreign currency² & brings to SL³ through a bank⁴.** (any persons)
- ❖ **Interest income of any Foreign Currency deposits.** (any persons)



2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

2.1 Individuals

2.1.4 Practical Application of Personal Reliefs & Standard IT Rates:

a) Rates From 01.01.2020 up to 31.12.2022:

Personal Tax-Free Allowance (Relief) p.a.				Rs. 3,000,000
Expenditure Relief p.a.				Rs. 1,200,000
Out of Taxable Income	Taxable Income (Rs.)	%	Tax (Rs.)	Accumulated Tax (Rs.)
1 st	3,000,000	6%	180,000	180,000
2 nd	3,000,000	12%	360,000	540,000
Sub Total	6,000,000		540,000	540,000
>Rs.6,000,000		18%	xxx	xxx

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

2.1 Individuals

2.1.4 Practical Application of Personal Reliefs & Standard IT Rates (Contd.):

b) Tax Rates w.e.f. 01.01.2023:

Personal Tax-Free Allowance (Relief) Expenditure Relief				Rs. 1,200,000 None
Out of Taxable Income	Taxable Income (Rs.)	%	Tax (Rs.)	Accumulated Tax (Rs.)
1 st	500,000	6%	30,000	30,000
2 nd	500,000	12%	60,000	90,000
3 rd	500,000	18%	90,000	180,000
4 th	500,000	24%	120,000	300,000
5 th	500,000	30%	150,000	450,000
Sub Total	2,500,000		450,000	450,000
>Rs.2,500,000		36%	xxx	xxx



RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

2.1 Individuals

2.1.5 Computation of Income Tax at Standard IT Rates – Y/A 2022/23:

(a) From 01.04.2022–31.12.2022 **(9months)**

Personal Tax-Free Allowance		Rs. 2,250,000		
Expenditure relief up to		Rs. 900,000		
Portion of TI	Taxable Income Rs.	Tax %	Tax Rs.	Accu. Tax Rs.
1 st	2,250,000	6%	135,000	135,000
2 nd	2,250,000	12%	270,000	405,000
Sub Total			405,000	405,000
Excess of Rs. 4,500,000		18%	xxx	xxx

(b) From 01.01.2023–31.03.2023 **(3months)**

Personal Tax-Free Allowance		Rs. 300,000		
Expenditure Relief.		None		
Portion of TI	Taxable Income Rs.	Tax %	Tax Rs.	Accu. Tax Rs.
1 st	125,000	6%	7,500	7,500
2 nd	125,000	12%	15,000	22,500
3 rd	125,000	18%	22,500	45,000
4 th	125,000	24%	30,000	75,000
5 th	125,000	30%	37,500	112,500
Sub Total			112,500	112,500
Excess of Rs. 625,000		36%	xxx	xxx

2. INLAND REVENUE ACT (Contd..)

2.1 Individuals

2.1.6 Employment Income (EI)

*For Further
knowledge*

An individual's employment income for a year of assessment shall be the individual's **gain and profit** from the employment for that year of assessment [Sec. 5(1)].

- ☐ This **shall include** following amounts received/derived from employment during the Y/A [Sec. 5(2)];
- ❖ Salary, wages, leave pay, OT, fees, pensions, commissions, gratuities, bonuses, similar payments,
 - ❖ Personal allowance including cost of living, subsistence, rent, entertainment or travel allowance,
 - ❖ Payments providing discharge or reimbursement of expenses by individual or an associate,
 - ❖ Payments for the individual's agreement to conditions of employment,
 - ❖ Payment for redundancy, loss or termination of employment,
 - ❖ Contribution to a retirement fund and retirement payments received in respect of employment,
 - ❖ Payment/transfers to another person for the benefit of the individual or his associate person
 - ❖ **Fair market value** of employment **benefits** received/derived by an individual/ associate person,

2. INLAND REVENUE ACT (Contd..)

2.1 Individuals

2.1.6 Employment Income (Contd.)

*For Further
knowledge*

- ❖ Other payments including gifts received in respect of the employment,
- ❖ Market value of shares at the time allotted under an employee share scheme less employee's contribution there on.
- ❑ Employment benefits **shall exclude** followings [Sec. 5(3)];
 - ❖ Exempt amounts and final withholding payments
 - ❖ Discharge or reimbursement of expenses by individual on behalf of the employer
 - ❖ Discharge/reimbursement of full-time employees dental, medical/health insurance expense
 - ❖ Payments made to or benefits accruing to employees commonly (impractical to allocate)
 - ❖ Value of a right/option to acquire shares at the time of granted to an employee under employee share scheme.
 - ❖ Contributions made by an employer to an employee's account with a pension, provident of savings fund or savings society approved by CG.

2. INLAND REVENUE ACT (Contd..)

2.1 Individuals

2.1.6 Employment Income (Contd.)

*For Further
knowledge*

❑ 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 time of retirement from;
 - : any pension fund or the income portion (return on investment; such as interest on or after April 1, 1987) of ETF;
 - : a provident fund approved by the CG or a regulated provident fund. (capital plus interest)

2. INLAND REVENUE ACT (Contd..)

2.1 Individuals

*For Further
knowledge*

2.1.6 Employment Income (Contd.)

- ❖ The income of an individual entitled to privileges to the extent provided for by:
 - : a diplomatic immunities law or a similar law;
 - : an Act giving effect to the Convention on the Privileges and Immunities of the United Nations and the Convention on the Privileges and Immunities of the Specialised Agencies of UN; or
 - : regulations made under this Act relating to an international organisation, 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.

❑ **Note:** A list of non-cash benefits applicable to an employee is given in the IRD web. *(A summary of it is attached)*

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

2.2 Corporate Income Tax

2.2.1 Changes which relate to Companies w.e.f. 01.10.2022;

W.e.f. 01.10.2022 introduced a 3 Rated Tax system as follows;

(Summary)

Nature of the Income	Tax Rate
On dividends received from resident Companies on which the 15% Final WHT is not deducted	15%
Conducting Betting & Gaming (as a business) and Manufacture & Sale or Import & Sale of any Liquor & Tobacco product (as a business)	40%
All other taxable income (Including investment capital gains)	30%

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

2.2 Corporate Income Tax

2.2.1 Changes which relate to Companies w.e.f. 01.10.2022;

*For Further
knowledge*

2.2.1.1 Income Tax Rates changed as follows:

Source of Income or Business / Type of Entity	IT Rate (%)	
	Previously	Amended
SME as defined in Sec. 195. ^{*1} (Applicable only on the Business Income)	14%*	30%
Business of sale of goods or merchandise including export of goods, where the proceeds in foreign currency is remitted through a bank to SL ^{*1} .	14%*	30%
Specified Undertakings as defined in Sec. 195 (As detailed below) ^{*2}	14%*	30%
Education, Promotion of Tourism, Constriction Services, Agro-processing and Healthcare, ^{*1}	14%*	30%
Dividends received from a resident company	14%*	15%
Supply of health protective equipment and similar products by BOI export company to Health Ministry, SL Army, Navy, Air force, Police & COVID Centre. ^{*1}	14%*	30%

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

2.2 Corporate Income Tax (Contd..)

2.2.1 Changes which relate to Companies **w.e.f. 01.10.2022** (Contd.):

*For Further
knowledge*

2.2.1.1 Income Tax Rates changed as follows (Contd.):

Source of Income or Business / Type of Entity	IT Rate (%)	
	Previously	Amended
Gains and profits from gems and jewellery .	14%*	30%
Y/A 2022/23, 2023/24 & 2024/25 of a company which lists shares with CSE during 01.01.2021 to 31.12.2021. (It overrules all other provisions of this or any other Acts charging higher IT rate/s). ^{*1}	14%*	30% or 40% as applicable
Gain and profit from supply of electricity generated by using renewable energy resources to national grid.	14%*	30%
Manufacturing (Except for the 5 types of business marked with ^{*1} above).	18%*	30%
Conducting Betting & Gaming (A Business Income)	40%*	40%

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

2.2 Corporate Income Tax (Contd..)

2.2.1 Changes which relate to Companies **w.e.f. 01.10.2022** (Contd.):

*For Further
knowledge*

2.2.1.1 Income Tax Rates changed as follows (Contd.):

Source of Income or Business / Type of Entity	IT Rate (%)	
	Previously	Amended
<u>Manufacture & sale or import & sale</u> of any Liquor or Tobacco product. (w.e.f. 01.04.2019) (Only the Business Income)	40%*	40%
On Investment Capital Gains	10%	30%
On any other taxable income of a company.	24%*	30%

****2 Specified Undertakings** includes entrepot trading, offshore, service exports, HQ operations, logistic services, transshipment, freight forwarding, services to exporters, production/manufacture and supply to exporters of non-traditional goods, some gazetted services, sale of gem & jewellery in foreign currencies.*

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

2.2 Corporate Income Tax (Contd..)

2.2.1.2 Application of Income Tax Rates – Y/A 2022/23

Apportionment of Profit of 2022/23 into two periods;

As per the Section 41 of the Amendment Act No. 45 of 2022, the income tax payable by a person for the Y/A 2022/23, shall be calculated separately for the two periods as follows;

Person	First Period	Second Period	Basis of Apportioning of Business Income*
Individuals	First 9 months	Balance 3 months	First Period 75% & Second Period 25%
Non-individuals	First 6 months	Second 6 months	First Period 50% & Second Period 50%

***Apportionment of Business Income:-** In arriving of the taxable income, the person may use pro-rata basis for the purpose of calculation of the Business Income.

Application of Tax Rates :-

- The income of the **First period** - at **old rates**,
- The income of the **Second period** - at **new rates**.

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

2.2 Corporate Income Tax (Contd..)

*For Further
knowledge*

2.2.1.2 Application of Income Tax Rates – Y/A 2022/23

Entity / Nature of the Business	2022/23 1 st six months (01-04-2022 to 30-09-2022)	2022/23 2 nd six months (01-10-2022 to 31-03-2023)	For 2023/24 year onwards
Corporate Income Tax (Standard)	24%	30%	30%
Partnership - No change	6%	6%	6%
Trust	18%	30%	30%
Unit Trust or Mutual Funds	24%	30%	30%
Gains and profits from conducting betting and gaming – No change	40%	40%	40%
Gains and profits from the manufacture and sale or import and sale of any liquor or tobacco product - No change	40%	40%	40%
Realization of investment asset by a company (<u>Investment</u> Capital Gain)	10%	30%	30%

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

2.2 Corporate Income Tax (Contd..)

*For Further
knowledge*

2.2.1.2 Application of Income Tax Rates – Y/A 2022/23 (Contd..)

Entity / Nature of the Business	2022/23 1 st six months (01-04-2022 to 30-09-2022)	2022/23 2nd six months (01-10-2022 to 31-03-2023)	For 2023/24 year onwards
Charitable Institutions – No change	14%	14%	14%
Non – governmental Organizations	24%	30%	30%
ETF, Provident or Pension and Termination Funds – No change	14%	14%	14%
Remittance Tax (First schedule) – No change	14%	14%	14%
Concessionary Tax rates applied Businesses	14% or 18%	30%	30%

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

2.2 Corporate Income Tax (Contd..)

*For Further
knowledge*

2.2.1.3 Removal of Income Tax Exemptions:

Industry/Legislation	To Whom (Resident/Non R)	Effec. date	Period	Change in the Act
Gain on land/building sold to <u>Real Estate Investment Trust</u>	Both	01.04.2021	Open	Removed w.e.f. 01.10.2022
Non-resident's certain service income from the SL Airlines	N/Residents	01.04.2018	Open	No change
Agro-farming	Both	01.04.2019	5 Years	No change
IT & Enabled Services (For local market)	Both	01.01.2020	Open	Removed w.e.f. 01.04.2023
Local/foreign <u>services to be utilized outside SL</u>	Both	01.01.2020	Open	No change
<u>Any foreign source</u> earned or derived in foreign currency and remitted through a bank to SL.	Both	01.01.2020	Open	No change
Vocational Educational Institute expansion (doubling students)	Both	01.04.2021	5 Years	Removed w.e.f. 01.04.2023

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

2.2 Corporate Income Tax (Contd..)

2.2.1.3 Removal of Income Tax Exemptions (Contd..)

*For Further
knowledge*

Industry/Legislation	To Whom (Resident/Non R)	Effec. date	Period	Change in the Act
Gold, gems, jewellery exports & gem processing for export	Both	01.04.2021	Open	Removed w.e.f. 01.04.2023
Recycling & sale of such recycled construction materials *	Both	01.04.2021	10 Years	Removed w.e.f. 01.04.2023
Businesses commenced after successful vocational education *	Both	01.04.2021	5 Years	Removed w.e.f. 01.04.2023
Boat and ship building *	Residents	01.04.2021	7 Years	Removed w.e.f. 01.04.2023
Solar or wind power projects not less than 100 MW	Both	01.04.2021	7 Years	Removed w.e.f. 01.04.2023
Construct communication towers & install appliances *	Residents	01.01.2021	5 Years	Removed w.e.f. 01.04.2023
Letting out bonded warehouses for offshore businesses *	Both	01.04.2021	Open	Removed w.e.f. 01.04.2023

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

2.3. Withholding Tax (WHT) On Payments (w.e.f. 01.01.2023) (Sec. 83, 84 & 85)

- (i) Under Sec. 83-Remuneration - APIT made mandatory on all employees (*Resident & Non-resident*) receiving remuneration exceeding Rs. 100,000 p.m.
- (ii) Under Sec. 84 (Not applicable for payments made by individuals, unless made in conducting a business)
- Dividends - 15% mandatory WHT as a Final Tax on any person.
 - Rent - If Rs. 100,000p.m. or more - 10% WHT on total on any person.
 - Interest & Discount by financial Institutions - 5% mandatory WHT on any person. (not a final tax).
 - Other Payments (Charge, natural resource payments, royalty, premium paid to any person) - 14% WHT
- (iii) Under Sec. 85
- Non-residents' service fees & insurance premia - 14% WHT.
 - Other Service Fee in excess of Rs. 100,000p.m. to resident individuals - 5% WHT on total payment.

*The term "Payment" is interpreted in Sec. 195, while the **Other Services** are detailed in Sec. 85(1C).*

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

Interpretation of “Payment” in Sec. 195 & List of “Services” in Sec. 85(1C) -

Other Services listed in Sec. 85(1C) – (For 5% WHT)

Payment of Service Fee;

- (a) for **teaching, lecturing, examining, invigilating or supervising** an examination;
- (b) as a commission or brokerage to a resident insurance, sales or canvassing **agent**; or
- (c) for services provided by such individual **in the capacity of independent service provider¹** such as doctor, engineer, accountant, lawyer, software developer, researcher, academic or **any individual service provider²** **as may be prescribed by regulation:** (Refer the Gazette Notice)

“payment” means the **conferring** of value or a benefit in any form by one person on another person and includes -

- (a) the transfer by one person of an asset or money to another person or the transfer by another person of a liability to the one person;
- (b) the creation by one person of an asset that on creation is owned by another person or the decrease by one person of a liability owed by another person;
- (c) the provision by one person of services to another person; and
- (d) the making available of an asset or money owned by one person for use by another person or the granting of use of such an asset or money to another person. (Sec. 195)

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

Interpretation of “Payment” in Sec. 195 & List of “Services” in Sec. 85(1C) -

“ගෙවීම” යන්නෙන්, එක් තැනැත්තකු විසින් වෙනත් යම් තැනැත්තකු මත ඕනෑම ආකාරයකින් වටිනාකමක් හෝ ප්‍රතිලාභයක් පවරා දීම අදහස් වන අතර-

(අ) එක් තැනැත්තකු විසින් වෙනත් යම් තැනැත්තකුට වත්කමක් හෝ මුදල් පවරා දීම හෝ වෙනත් යම් තැනැත්තකු විසින් එක් තැනැත්තකුට වගකීමක් පවරා දීම;

(ආ) යම් වත්කමක් ගොඩනැගූ විට වෙනත් තැනැත්තකුට එහි අයිතිය සතු වන අයුරින් යම් තැනැත්තකු විසින් යම් වත්කමක් ගොඩනැගීම හෝ යම් තැනැත්තකු විසින් වෙනත් තැනැත්තකු පියවිය යුතු බැරකමක් අඩු කිරීම; හෝ

(ඇ) යම් තැනැත්තකු විසින් වෙනත් යම් තැනැත්තකුට සේවා සැපයීම;

(ඈ) එක් තැනැත්තකු සතු වත්කමක් හෝ මුදල් වෙනත් යම් තැනැත්තකුගේ භාවිතය සඳහා ලබා දීම හෝ එවැනි වත්කමක් හෝ මුදලක් භාවිත කිරීම සඳහා වෙනත් යම් තැනැත්තකුට ප්‍රදානය කිරීම,

ඊට ඇතුළත් වේ;



RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

*For Further
knowledge*

2.3.1. WHT on Remuneration of Resident/ Non-resident / SL Non-citizen Employees; (Sec. 83 & 83A)

PERIOD	WHT (Pay As You Earn/Advance Personnel Income Tax) LIABILITY	
	Resident and/or SL Citizen	Non-resident and/or Non-citizen
01.04.2018 – 31.12.2019	Liable to PAYE (<u>Mandatory basis</u>)	Liable to PAYE (<u>Mandatory basis</u>)
01.01.2020 – 31.03.2020	Not Liable	Not Liable
01.04.2020 – 31.12.2022	Liable to APIT (<u>Voluntary basis</u>)	Liable to APIT (<u>Mandatory basis</u>)
01.01.2022 Onwards	Liable to APIT (<u>Mandatory basis</u>)	Liable to APIT (<u>Mandatory basis</u>)

2.3.2 Employee Terminal Benefits (Sec. 83, 83A, 84 & 84A);

WHT on terminal benefits of any employee (both resident & non-resident) is removed w.e.f. 01st January 2020, while it is reintroduced only on non-residents and non-citizens w.e.f. 01st April 2020. However, w.e.f. 01.01.2023 it is re-introduced on mandatory basis.

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

**For Further
knowledge**

2.3.3. WHT on Non- Remuneration Payments to Residents w.e.f. 01.01.2023

Payment Nature	Rate	On whom	Final/not
Dividend	15%	Any Person	Final
Interest & Discounts (paid by financial institutions)	5%	-Do- (Excluding Exempted)	Non-Final
Other Payments (Covered under Sec. 85)	14%	Any Person	Non-final
Rent, if exceeds Rs. 100,000p.m. (on total)	10%	Any Person	Non-final
Non-residents Service Fees & Insurance Premia	14%	Non-residents	Non-final
Other Service Fee (Non-employment) to Individuals, if exceeds Rs. 100,000p.m. (on total) (Covered under Sec. 85)	5%	Resident Individuals	Non-final

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

**For Further
knowledge**

2.3.3. WHT on Payments to Non-residents (*Investment Income & on Service Fees*) w.e.f. 01.01.2023;

Source of Income (Payment)	WHT %* ¹	WHT Liable/No
(a) Interest, discounts* ¹	5%	No [Exempted – 3rd Sch. item (i)-(ii)(iv)(v)]* ²
(b) Dividends, charge, natural resource payment, rent, royalty, premium, service fee or an insurance premium from 01.01.2020 to 31.12.2022.	14%	Up to 31.12.2022 No [Dividend* ³ Exempted– 3rd Sch. item (oo)(ii)]
(c) Gems sold by any person in a NGJA auction	2.5%	Liable (Final Tax-Sec.88)
(d) Services fee (land, sea, air transport or telecommunication)	2%	Liable (Final Tax-Sec.88)
(e) Profit share allocated by a partnership to a partner	N/A	No

RECENT INCOME TAX REFORMS & PRACTICAL APPLICATION

2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

**For Further
knowledge**

2.3.4. Following Payments to any person (Both Resident & Non-resident) are continued to be liable to WHT (Even during the period from 01.01.2020 to 31.12.2022);

Source of Income (Payment)

WHT %

Winnings from a lottery, reward, betting or gambling (w.e.f. 01.01.2020) 14% (Final Tax-Sec.88)

Gems sold by any person in a NGJA auction (w.e.f. 01.04.2018) 2.5% (Final Tax-Sec.88)



2. INLAND REVENUE (AMENDMENT) ACT NO. 45 of 2022 & No. 04 of 2023 (Contd..)

*For Further
knowledge*

2.4 Other Amendments Through (AMENDMENT) ACT NO. 45 OF 2022

2.4.1 Claiming of Tax Losses

- **Business Losses** - A loss in relation to the business where the tax rate has been substantially increased, the losses incurred during lower rate period will be allowed to claim subsequently disregarding the reduction of the rate.
- **Investment Losses** - Claimability of unrelieved investment losses is limited to the succeeding 6 Y/A's from the Y/A it is incurred.
- **Loss claim set off against Capital Gains – No Investment Capital Gains be reduced by any loss.**

RECENT TAX REFORMS & PRACTICAL APPLICATION

2.5 OTHER AMENDMENTS THROUGH (AMENDMENT) ACT NO. 4 OF 2023.

*For Further
knowledge*

Sec. 10(2A) w.e.f. 08.05.2023 (Disallowable Expenses); (Amendment Act No. 04 of 2023)

(a) Where a person pays to another person (*to any one person*), a sum of money amounting in the aggregate to Rs. 500,000 or more, ¹in a day, or ²in respect of a **single transaction**, or in respect of a **series of single transactions relating to one event**, otherwise than by way of an ¹account payee cheque or ²account payee bank draft or by the use of a ³credit card, ⁴debit card or ⁵electronic payment system through a bank account-

- (i) any deduction shall not be allowed (*revenue expenses*) in respect of such payments in calculating the first mentioned person's income; and
- (ii) the amounts paid shall not be considered as cost of an asset (*capital expenses*) of the first mentioned person. (*Accordingly, can't claim the capital allowance on the asset*)

(b) The provisions of paragraph (a) shall not apply to -

- (i) any payment by the Government of Sri Lanka or any Government institution;
- (ii) any payment by a bank or financial institution; and
- (iii) such classes of persons or payments as may be prescribed by the Minister.

- **“single transaction”** means the purchase or procurement of any goods or services, on a **single invoice**, receipt or statement”.

RECENT TAX REFORMS & PRACTICAL APPLICATION

2.5 OTHER AMENDMENTS THROUGH (AMENDMENT) ACT NO. 4 OF 2023.

*For Further
knowledge*

Sec. 10(2A) w.e.f. 08.05.2023; (Amendment Act No. 04 of 2023)

Hearing of Appeal - Up to 07.08.2023 there was no specific time is specified. *(A lacking in the law)**

*Under Sec. 139 (5)(c), if the CG has not given the determination for a request for review made on or after 08.05.2023, within 2 years from receiving of the review request, the said request is to be treated as accepted. (No such timeline was given to the CG up to 08.05.2023).

**There wasn't a timeline given to the CGIR on requests made up to 08.05.2023.*

Refunding of Overpaid IT [Sec. 150(1)(c) & (2A)]

- At the request of the taxpayer, 60% of the refundable amount to be setoff against subsequent IT payables, prior to a tax audit.
- In the case of a resident taxpayer, if the refund claim is **not exceeding Rs. 100,000** the CG shall refund the amount within 3 months of the claim, prior to a tax audit.
- In the case of **senior citizen**, if the refund claim is not exceeding Rs. 25,000 p.q. the CG shall refund the amount within 3 months of the claim, prior to a tax audit.

RECENT TAX REFORMS & PRACTICAL APPLICATION

2.5 OTHER AMENDMENTS THROUGH (AMENDMENT) ACT NO. 4 OF 2023.

Requirement of providing regular information in electronic format by other institutions. [Sec. 123(8)]

By Whom;

- Registrar General of Registrar General's Department
- A financial Institute
- Any other person or Government Institution as may be prescribed by regulations.
- Registrar General of Companies
- A stock exchange
- The Commissioner General of Motor Traffic
- An officer of any other Government Institution in charge of supply of goods, works, or consulting and non-consultancy services.

**For Further
knowledge**

Securing the Government Tax Policies from the Administrator (IRD) Sec 111A-

The **CG** may obtain the opinion or observation of the Treasury Secretary on the underlined tax policy relating to any provision of the Act or any tax Act administrated by CG for the purpose of interpretation. *(This is so required to implement the Government policies)*

Tax Registration Requirement - *(Gazette No. 2334/21 of 31.05.2023 under Sec. 102(3) of the Act)*

It requires;

- Listed persons (mainly professionals) to register for tax w.e.f. 01.06.2023
- Any individual reached 18 years by 01.01.2024, should register for tax w.e.f. 01.06.2024

RECENTLY PROPOSED/IMPLEMENTED TAX REFORMS & PRACTICAL APPLICATION - SPECIALLY 2022/23

FOR FURTHER CLARIFICATIONS PLEASE COMMUNICATE WITH US

*Thank
you*



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16th January 2024



TAX KNOWLEDGE SHERING SESSION – 16.01.2024

Annexure 01 – Frequently Asked Questions

Individual Income Tax Return – E-filing for the Y/A 2022/2023

A few important highlights:

Who should get registered (TIN) for Income Tax?	Every person liable to furnish a return of income for the Y/A and not registered yet shall registered with GC (obtain TIN) not later than 30 days of the end of that Y/A. (Sec.102) Refer Annexure 3 (Gazette notice of 31.05.23)
Who is liable to furnish an Income Tax Return?	Every person chargeable with income tax under the IR Act shall furnish a IT return. (Sec. 126)
Who is chargeable with Income Tax?	Income Tax (I T) shall be payable for <u>each year of assessment</u> , by (a) a <u>person</u> who <u>has taxable income</u> , or (b) a <u>person</u> who <u>receives a final withholding payment</u> during the year. (Sec. 2)
What a Year of Assessment is (Y/A)? තක්සේරු වර්ෂයක් යනු කුමක්ද?	Period starting from 01 st April of a year and ending by 31 st March of the immediate subsequent year. Eg, Y/A 2022/23, තක්සේරු වර්ෂ 2022/23.
Who should File an income tax return?	Every person chargeable with Income Tax. බද්දට යටත් වන ඕනෑම තැනැත්තෙකු.
What is the minimum income of an individual to be liable to income tax? පුද්ගලයෙකු බද්දට යටත් වන අවම ආදායම?	Depends on the availability of tax reliefs & qualifying payments (QP). Taxable Income = AI – Relief & QP මෙය, එම පුද්ගලයාගේ ආදායම සුදුසුකම්ලත් ගෙවීම් සහ සහනයන් මත පදනම් වෙයි. බදු කළ හැකි ආදායම = තක්සේරුවන ආදායම - සුදුසුකම් ලත් ගෙවීම් සහ සහනයන්
What are the Reliefs available? සහනයන්?	As detailed in para 1.5.1 above.
What are the QPs available? සුදුසුකම් ලත් ගෙවීම්?	As detailed in para 1.5.2 above.
When to pay IT? බදු ගෙවිය යුත්තේ කවදාද?	Self-Assessment basis in 4 quarterly instalments (within 1 1/2 months from end of each quarter) + Final (on or before 30 th September of immediate subsequent Y/A) කාර්තුමය වශයෙන්
How to pay IT? බදු ගෙවිය යුත්තේ කෙසේද?	By way of WHT (AIT) or on self-assessment basis. අත්තිකාරම් බදු සහ ස්වතක්සේරු පදනම මත

What WHT is on remuneration? රැකියා ආදායමට අදාළ අත්හිටුවූ බදු?	APIT (Advance Personal Income Tax) අත්තිකාරම් පුද්ගල ආදායම් බදු.
Is APIT mandatory? අත්තිකාරම් පුද්ගල ආදායම් බදු	w.e.f 01.01.2023 :- Mandatory for any person. ඕනෑම තැනැත්තෙකුම (වාසිකයන් සහ නිර්වාසිකයන්) අනිවාර්යෙන් යටත්වෙයි.
What are the other WHTs applicable to any person? ඕනෑම තැනැත්තෙකුට අදාළ වෙනත් අත්හිටුවූ බදු?	<ul style="list-style-type: none"> • Winnings from a lottery, reward, betting or gambling – 14% Final WHT. • Gems sold by any person in a NGJA auction – 2.5% Final WHT. • Services fee to individuals @ 5% • Employment income – APIT • Dividend @15% • Investment Incomes (Rent 10%, interest 5%)
What tax returns to be filed?	Estimated Return – on or before 15 th August of the Y/A. Final Return – On or before 30 th November of immediate subsequent Y/A.
How to file tax returns?	<ul style="list-style-type: none"> • Manual (For individuals only) only till 2022/23 • Online (For individuals optional, but for entities mandatory)
What are the initial requirements to process online filing?	(i) Obtaining of a TIN. (Online/manually) (ii) Obtaining of PIN (Online)
What are the requirements to obtain an individual's TIN?	<p>If manually;</p> <ul style="list-style-type: none"> • Application for Taxpayer Registration (TPR_002) • Application for Tax Type Registration (TPR_005) • Salary Slip • NIC Copy • Documents to prove the residential address. <p>Within a day, can collect the TIN.</p> <p>If Online;</p> <ul style="list-style-type: none"> • Log in to IRD Web & click access to e-service. • Click “Taxpayer Registration” link, fill the application and upload scanned copies of the above documents. <p>Within about 5 days receive the TIN through email.</p>
Even after receiving the hard copy of tax return can, we file online return?	Yes, no issue.

Annexure 02 – Individual Income Tax Return Submission

SRI LANKA INLAND REVENUE

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Access to e-Services

You, or people you authorize, can log in and use different e-Services for registering, filing your returns, checking your tax balance and transaction history, paying taxes, requesting a refund, lodging an appeal or an objection, or requesting for a clearance certificate.

To be able to use the e-Services, you will need to be a registered Taxpayer with a Taxpayer Identification Number (TIN), and register for e-Services to request for a Personal Identification Number (PIN). You can do these below.

Click on [Taxpayer Registration](#) : To register as a Taxpayer and obtain your TIN

Click on [PIN Request](#) : To request a PIN to be able to use the e-Services

Click on [Authorisation of Staff/Tax Agent](#) : To authorise staff/Tax agent to act on your behalf for tax matters

Click on [Verify Authenticity of Certificate](#) : To view and verify Certificates issued by the Inland Revenue Department

Proceed to Login:

To use the e-Services, you must have a Taxpayer Identification Number (TIN) and a Personal Identification Number (PIN)

Select your tax profile

☐ Individual Taxpayer

☐ Corporate/Partnership Taxpayer

☐ Tax agent

[Proceed to Login](#)

Last updated: 12-01-2021

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 - Registration
 - Filing of return
 - Payments and Refunds
 - Appeals and Objections
- e-Learning
 - Filing of return
- Access to e-Services
- Forms
- Help options
 - Taxpayer Services Unit
 - Call Centre
 - Call Centre Query
 - Enhanced Tax Portal

- 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 – Classification
12. Schedule 11 – Losses
13. Statement of Assets & Liabilities
14. Declaration
15. Confirmation

Procedure of e-filing 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.

The screenshot shows the Sri Lanka Inland Revenue eService Home page. The header includes the logo and navigation links: Return / Schedule Management, Return Management, Refund, Taxpayer Registration, Clearance, Direction, and Objection. The main content area is titled "Individual income tax filing summary" and displays the Taxpayer Identification Number (TIN), Name of taxpayer, and Year of assessment (2022/2023). Below this, there is a table with columns for Year of assessment, Due date, and Status. The table lists four assessment years: 2022/2023 (NEW), 2021/2022 (NEW), 2019/2020 (SUBMITTED), and 2018/2019 (SUBMITTED). At the bottom, there are buttons for "Proceed", "Remove", and "Back to home".

Year of assessment	Due date	Status
<input type="checkbox"/> 2022/2023	2023-11-30	NEW
<input type="checkbox"/> 2021/2022	2022-11-30	NEW
<input type="checkbox"/> 2019/2020	2020-11-30	SUBMITTED
<input type="checkbox"/> 2018/2019	2019-12-02	SUBMITTED

The screenshot shows the "Part A - Income liable to tax" section of the Sri Lanka Inland Revenue eService Home page. It displays the Year of assessment (2022/2023) and a table for income components. The table has columns for the income type, the corresponding schedule, and the amount. The income components are: Employment income (Rs.) (Schedule 1) with a value of 10, Business income (Rs.) (Schedule 2) with a value of 20, Investment income (Rs.) (Schedule 3) with a value of 30, and Other income (Rs.) (Schedule 4) with a value of 40. The total Assessable income (10+20+30+40) (Rs.) is 50. Below the table, there are radio buttons for Resident and Non-resident, and Senior citizen status (Yes/No).

Income Type	Schedule	Amount (Rs.)
Employment income	(Schedule 1)	10
Business income	(Schedule 2)	20
Investment income	(Schedule 3)	30
Other income	(Schedule 4)	40
Assessable income (10+20+30+40)		50

Schedule 01 – Employment Income

Part I – Details of Employment income

- Include two tables to enter the details of current employment income and the terminal benefits 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).

Part I – Details of employment income

Type	Employer/company name	TIN of the employer	Remuneration (Rs.)
Total remuneration (Cage 105)			Rs. 0.00

Add Remove Update Reset

Type: 101 Primary Employment
Employer/company name: 102
TIN of the employer: 103
Remuneration (Rs.): 104

Type	Employer/company name	TIN of the employer	Terminal benefits (Rs.)
------	-----------------------	---------------------	-------------------------

Activate Win Go to Settings t

Schedule 02 – Business Income

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

A. Business income from sole proprietorship

Activity code	Nature of the business	Gains and profits (Rs.)
Total business income from sole proprietorship (Cage 204)		Rs.0.00

Activity code: 201 <Select a value>
 Nature of the business: 202
 Gains and profits (Rs.): 203

B. Partner's business income from partnership

Activity code	Partnership name	TIN of the partnership	Gains and profits (Rs.)
---------------	------------------	------------------------	-------------------------

Activate Window
Go to Settings to activate window

- Enter the Activity code, Nature of business, Gains & profits fields and click “**ADD**” button. (Please note that the activity codes are available in the IRD website: *Useful Information* → *Economic Activity Codes*)

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.

Activity code	310 <Select a value>	Trust name	311
TIN	312	Gains and profits (Rs.)	313
Total investment income(cage 304 + cage 309 + cage 314)		315	
Enter amount in cage 315 in to cage 30 of the Return			
Part II - Reliefs for investment income			
Relief for rent income (25% of the total rent income from sole proprietorship and partnership)		316	
Enter amount in cage 316 in to cage 60 of the Return.			
Exempt amounts/gains and profits for Investment Income			
Exempt amounts		317	
Enter total amount of cages 317+216+115 in to cage 210 of the Return			
		<input type="button" value="Save draft"/> <input type="button" value="Next"/> <input type="button" value="Back"/> <input type="button" value="Cancel"/>	

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

A - Qualifying payment as per Inland Revenue Act, no. 24 of 2017		
Donation made	Amount paid (Rs.)	Deductible amount (Rs.)
To approved charity 1	502.1	503.1
Deductible amount limited to 1/3rd of the taxable income or Rs.75,000 or amount donated whichever is less		
To the Government	502.2	503.2
To other Specified Institutions	502.3	503.3
Contribution made to establish a shop for a female of Samurdhi beneficiary family	502.4	503.4
Expenditure on Film Industry	502.5	503.5
Total qualifying payments(503.1+503.2+503.3+503.4+503.5)		504

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

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

B - Brought forward qualifying payments as per Inland revenue Act No. 10 of 2006			
Description	B/F amount (Rs.)	Deductible amount(Rs.)	C/F amount (Rs.)
A. Donation to government	506.A	507.A	508.A
B. Investment made in a project of government's development plan	506.B	507.B	508.B
C. Investment in production of films	506.C	507.C	508.C
D. Expenditure on films produced on or after 01.04.2008	506.D	507.D	508.D
E. Un-deducted balance of investment in the purchase of shares	506.E	507.E	508.E
F. Expenditure on construction and equipping of a cinema	506.F	507.F	508.F
G. Expenditure on upgrading of a cinema	506.G	507.G	508.G
H. Expenditure on construction of houses for low income families	506.H	507.H	508.H
I. construction or purchase of a houses otherwise than out of a loan	506.I	507.I	508.I
J. Investment made under Section 16 C or investment in high tech	506.J	507.J	508.J
K. Investment made under Section 16 D	506.K	507.K	508.K
Total deductible qualifying payments B/F from previous Y/A (total of 507)		509	
Total deductible qualifying payments (504 + 509)		510	
Enter amount in cage 510 in to cage 100 of the Return			

Part C: Expenditure Relief

- There are five types of **Expenditure Reliefs** that are incurred **during 01/04/2022 to 31/12/2022** are allowable to deduct.
 - Health expenditure
 - Educational expenditure
 - Housing loan interest
 - Contributions made to any local pension scheme
 - Expenditure for purchase of shares listed in CSE
- Note: Incurred amount up to Rs.900,000 can be deducted from Total Assessable Income for 1st period of the year of assessment.

C - Expenditure relief

1. Health expenditure including contributions to medical insurance	512.1	75,000.00
2. Vocational education or other educational expenditure incurred locally by such individual or on behalf of such individual's children	512.2	250,000.00
3. Interest paid on housing loans	512.3	175,000.00
4. Contribution made to any local pension scheme, other than for a scheme under the employer or on behalf of the employer, by an employee	512.4	100,000.00
5. Expenditure incurred for the purchase of shares or any other financial instrument listed in the Colombo Stock Exchange and licensed by the Securities and Exchange Commission of Sri Lanka or treasury bonds under the Registered Stocks and Securities Ordinance or treasury bills under the Local Treasury Bills Ordinance	512.5	500,000.00
Total of expenditure (512.1+512.2+512.3+512.4+512.5)	513	1,100,000.00
Allowable Expenditure Relief	513.a	900,000.00 (900,000 or Amount in Cage 513, whichever is lower)
Expenditure on Solar Panel Acquisition	513.b	600,000.00
Total deductible expenditure relief (513.a+513.b)	514	1,500,000.00

D - Expenditure on solar panel fixing on his premises by resident individual

Type of expenditure	Total expenditure on acquisition of solar panel	Claimable amount	Carried forward balance if any
Expenditure on solar panel	515 1,200,000.00	516 600,000.00	517 600,000.00

Enter the amount in cage 516 in to cage 513.b of 5 C Schedule

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.

B - Final withholding payments - WHT failed to deduct by the withholding agent

<input type="checkbox"/>	Source	Type	Date of received	Amount Received (Rs.)	WHT payable by withholder (Rs.)	Date of payment
Total final WHT failed to deduct (Total of cage 612) (614) Rs. 0.00						

Add

Remove

Update

Reset

Source	608	Type	609
Date of received	610	Amount Received (Rs.)	611
WHT payable by withholder (Rs.)	612	Date of payment	613

Enter total amounts in cage 614 in to cage 811 of Schedule 8 (Tax Calculation)

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

Withholding tax						
A - Advance income tax / withholding tax deducted by the withholding agent						
<input type="checkbox"/>	Source/type	TIN of the Withholding Agent	AIT/WHT certificate No.	Amount received (Rs.)	Date of payment	AIT/ WHT deducted by the withholding agent (Rs.)
Total AIT/WHT deducted (Total of Cage 706)						Rs. 0.00
<div>Add Remove Update Reset</div>						
Source/type		701		TIN of the Withholding Agent		702
AIT/WHT certificate No.		703		Amount received (Rs.)		704
Date of payment		705		AIT/ WHT deducted by the withholding agent (Rs.)		706
Total AIT/WHT deducted (Total of Cage 706)						707

Activate Wi
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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 F – Tax from Agro Farming Sector**
 - Part G – Tax on final withholding payments (WHT not deducted) - Connecting from Schedule 06.**

Tax calculation

A. Enter taxable income from cage 120 of the Return ⓘ 801 0.00

	.1	.2	.3
	Income (Rs.)	Rate	Tax (Rs.)

B. ⓘ Total terminal benefits from cage 110 of schedule 1 ⓘ	802		0.00
Terminal benefits under special rate	803a.1	0%	803a.3
	803b.1	6%	803b.3
	803c.1	12%	803c.3
Terminal benefits under normal rate	804.1		804.3
Total tax on terminal benefits (803a.3 + 803b.3 + 803c.3 + 804.3)			805

Enter amount in Cage 805 in to Cage 130 of the Return

C. Tax on gain on realization of investment assets (from Schedule 3) ⓘ	806.1	10%	806.3
D. Tax on gain on realization of investment assets from partnership (from Schedule 3) ⓘ	807.1	10%	807.3

Enter total amount from Cage 806.3 and 807.3 in to Cage 140 of the Return

E. Tax on taxable income from betting & gaming, manufacture & sale or import and sale of any liquor, tobacco product	808.1	40%	808.3
Tax on Taxable Income to be taxed at progressive Income Tax Rates-First nine months	809.A.1		809.A.3
Tax on Taxable Income to be taxed at progressive Income Tax Rates-Second three months	809.B.1		809.B.3
Any other taxable income	809.C.1		809.C.3
F. Tax from Agro Farming Sector	809.a.1		809.a.3
Less 25% of Tax payable from agro farming sector	809.b.1		809.b.3
Balance tax payable for agro farming sector	809.c.1		809.c.3
Tax on balance taxable income (Total of 808.3 + 809.A.3 + 809.B.3 + 809.C.3 + 809.c.3)			810

Enter amount in Cage 810 in to Cage 150 of the Return

G. Tax on final withholding payments (WHT not deducted) (Cage 614 of Schedule 6)			811 0.00
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Enter amount in Cage 811 in to Cage 160 of the Return

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 <input type="text"/>
60% of Self Assessed Tax refund set off prior to a tax audit (with effect from 01.04.2023)	902A <input type="text"/>
APIT paid on Employment Income - Primary Employment (Attach APIT-T(New) 10 Certificate) ⓘ	903A <input type="text"/>
	903B <input type="text"/>
	903C <input type="text"/>
APIT paid on Employment Income - Secondary Employment (Attach APIT-T(New) 10 Certificate) ⓘ	904A <input type="text"/>
	904B <input type="text"/>
	904C <input type="text"/>
Tax paid for terminal benefits (Attach PAYE T-13 certificate) ⓘ	905 <input type="text"/>
Partner's share of partnership tax - (enter amount in cage 925 of Schedule 9 B)	906 <input type="text"/>
AIT from the partnership - (Enter amount in Cage 726 of Schedule 7 C)	907 <input type="text"/>
Advance income tax credit - (Enter amount in Cage 710 of Schedule 7 A)	908 <input type="text"/>
Tax paid on gain on realization of investment assets (CGT) ⓘ	909 <input type="text"/>
Tax paid on gain on realization of investment assets from the partnership ⓘ	910 <input type="text"/>
Installment payments and AIT/WHT paid by withholder - (Enter amount in Cage 934 of Schedule 9C)	911 <input type="text"/>
Total tax credits (Total of cage No. 901 to 911)	912 <input type="text"/>
Enter amount in cage 912 in to cage 180 of the Return	

Schedule 9B - Partners share of partnership tax	
Balance partner's share of partnership tax brought forward from 2021/2022 ⓘ	922 <input type="text"/>
Partner's share of partnership tax paid for 2022/2023 ⓘ	923 <input type="text"/>
Total partner's share of partnership tax (922+923)	924 <input type="text"/>
Deductible amount of partnership tax for the Y/A 2022/2023	925 <input type="text"/>
Excess partner's share of partnership tax carried forward (924 - 925) (any balance in relation to the Y/A 2022/2023)	926 <input type="text"/>

Schedule 9C - Instalment payment and AIT/WHT paid by withholder		
	Payment date	Amount paid (Rs.)
1st Installment	927a <input type="text"/>	927b <input type="text"/>
2nd Installment	928a <input type="text"/>	928b <input type="text"/>
3rd Installment	929a <input type="text"/>	929b <input type="text"/>
4th Installment	930a <input type="text"/>	930b <input type="text"/>
Final Payment	931a <input type="text"/>	931b <input type="text"/>
Total self-assessment payment (927+928+929+930+931)	932 <input type="text"/>	
AIT/WHT paid by withholder (Enter amount in Cage 614 of Schedule 6B and 721 of Schedule 7B)	933 <input type="text"/>	
Total installment payments and AIT/WHT payments	934 <input type="text"/>	
Enter amount in cage 934 in to cage 911 of Schedule 9.		

- Need to enter the amounts in the relevant cage as specified in the return.
- Partners share of Partnership Tax - 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 10 – Classification

Total Employment Income			
Description	FIRST PERIOD (Rs.)	SECOND PERIOD (Rs.)	TOTAL (Rs.)
Remuneration			
Primary Employment	950.1 <input type="text"/>	950.2 <input type="text"/>	950.3 <input type="text"/>
Secondary Employment	951.1 <input type="text"/>	951.2 <input type="text"/>	951.3 <input type="text"/>
Secondary Employment	952.1 <input type="text"/>	952.2 <input type="text"/>	952.3 <input type="text"/>
Terminal Benefits			
Primary Employment	953.1 <input type="text"/>	953.2 <input type="text"/>	953.3 <input type="text"/>
Secondary Employment	954.1 <input type="text"/>	954.2 <input type="text"/>	954.3 <input type="text"/>
Business Income			
Sole proprietor			
1	955.1 <input type="text"/>	955.2 <input type="text"/>	955.3 <input type="text"/>
2	956.1 <input type="text"/>	956.2 <input type="text"/>	956.3 <input type="text"/>
Partnership			
1	958.1 <input type="text"/>	958.2 <input type="text"/>	958.3 <input type="text"/>
2	959.1 <input type="text"/>	959.2 <input type="text"/>	959.3 <input type="text"/>
Trust			
1	961.1 <input type="text"/>	961.2 <input type="text"/>	961.3 <input type="text"/>
2	962.1 <input type="text"/>	962.2 <input type="text"/>	962.3 <input type="text"/>
Investment Income			
Sole proprietor			
1	963.1 <input type="text"/>	963.2 <input type="text"/>	963.3 <input type="text"/>
2	964.1 <input type="text"/>	964.2 <input type="text"/>	964.3 <input type="text"/>
Partnership			
1	968.1 <input type="text"/>	968.2 <input type="text"/>	968.3 <input type="text"/>
2	969.1 <input type="text"/>	969.2 <input type="text"/>	969.3 <input type="text"/>
Trust			
1	971.1 <input type="text"/>	971.2 <input type="text"/>	971.3 <input type="text"/>
2	972.1 <input type="text"/>	972.2 <input type="text"/>	972.3 <input type="text"/>

Reliefs & Qualifying Payments			
Reliefs			
for Foreign Service Income	978.1	978.2	978.3
for Rent Income	979.1	979.2	979.3
Cost on solar panel	980.1	980.2	980.3
for Expenditure	981.1	981.2	981.3
Personal Relief	982.1	982.2	982.3
Total Reliefs	983.1	983.2	983.3
Qualifying Payments (QP)			
Expenditure on Film Industry	984.1	984.2	984.3
Contribution made to establish a shop for a female of Samurdhi beneficiary family	985.1	985.2	985.3
A - 3	986.1	986.2	986.3
B	987.1	987.2	987.3
Total QP	988.1	988.2	988.3
Total Deductions (983 + 988)	989.1	989.2	989.3
Taxable Income (975 -989)	990.1	990.2	990.3

Schedule 11 – 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.

Part IB – Business Losses (Applicable tax rate for profit - Progressive)							
<input type="checkbox"/> Y/A	Loss (Rs.) (B/F & current year)	Progressive Rates	Investment Income (Rs.)	Capital Gain (Rs.)	Exempt Income (Rs.)	Total Deduction (Rs.)	C/F Loss (Rs.)
<div style="display: flex; justify-content: space-between; margin-top: 10px;"> Add Remove Update Reset </div>							
Y/A	987.1					Loss (Rs.) (B/F & current year)	987.2
Deductible loss from the profit of Y/A 2022/2023							
	Progressive Rates	987.4		Investment Income (Rs.)	987.5		
	Capital Gain (Rs.)	987.6		Exempt Income (Rs.)	987.7		
	Total Deduction (Rs.)	987.8		C/F Loss (Rs.)	987.9		

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
- **Liabilities as at 31.03.2021**
Includes the liabilities which are held by the taxpayer.
- **Part 2**
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 return or part of the return is prepared by an approved accountant or any other person for a payment?
☒ Yes ☐ No
(If "Yes" fill PART -A and attach the certificate/s issued by such person.)

Part – A : Details of approved accountant/any other person

Name :

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

PART – B : Declaration of the tax payer
I declare to the best of my knowledge and belief that all particulars furnished in the Return of Income are true, correct and complete. I am aware that making an incorrect, false, or misleading statement is an offence.

Full name of the declarant :

Telephone number:

Mobile:

Email:

NIC number/Passport number

Date:

- Return of income specified under section 126 of the inland revenue act, No. 24 of 2017, by the commissioner general of inland revenue
- Declare income and other particulars for the year of assessment ended 31st March, 2021.
- Attach tax computation, accounts if relevant & any other documents required to be submitted
- Duly completed return of income and attached documents should be submitted to the inland revenue department on or before 30th November, 2021.
- Penalties are imposed on any person who has not submitted a return or submitted an incorrect return
- Penalties and interest shall be imposed for non-payment of taxes on due dates.
- If marked "YES" for above in section 02, attach a separate certificate/s issued by the approved accountant or any other person issued by specifying the extent to which he was involved, the documents examined by him and the information relied upon by him. Such certificate shall deemed to be part and parcel of the return of income.

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.

This document is available for download from

<https://ranaweeraasso.lk/professional-education/tax-notes/>

For further clarifications, if any, please contact;

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- Ms. Shehani Yapa + 94 760 989 179, shehani.tax@gmail.com

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

TAX TALK



Annexure 03



ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ගැසට් පත්‍රය
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The Gazette of the Democratic Socialist Republic of Sri Lanka
EXTRAORDINARY

අංක 2334/21 - 2023 මැයි මස 31 වැනි බදාදා - 2023.05.31
No. 2334/21 - WEDNESDAY, MAY 31, 2023

(Published by Authority)

PART I : SECTION (I) — GENERAL

Government Notifications

INLAND REVENUE ACT, No. 24 OF 2017

Notice under Section 102

BY virtue of the powers vested in me under Sub - section (3) of Section 102 of Inland Revenue Act, No. 24 of 2017 (hereinafter referred to as "IR Act"), I, Ranil Wickremesinghe, Minister of Finance, Economic Stabilization and National Policies, with the consent of the Commissioner General of Inland Revenue, do specify that the additional classes of persons required to register under Section 102 of the IR Act, shall be the resident persons specified in PART - A or PART - B of the Schedule hereto, other than any person who has been registered under the said Section 102 as at the date of this notification.

Ranil Wickremesinghe,
Minister of Finance, Economic Stabilization and
National Policies.

Ministry of Finance, Economic Stabilization and National Policies,
Colombo 01,
31st May, 2023.

SCHEDULE

PART - A

With effect from June 01, 2023;

- i. Practitioners registered with the Sri Lanka Medical Council established under the Medical Ordinance (Chapter 105)
- ii. Members of the Institute of Chartered Accountants of Sri Lanka established by Act, No. 23 of 1959
- iii. Members of the Institute of Certified Management Accountants of Sri Lanka incorporated by Act, No. 23 of 2009
- iv. Members of Institution of Engineers Sri Lanka incorporated by Act, No. 17 of 1968
- v. Members of Association of Professional Bankers, Sri Lanka
- vi. Members of Sri Lanka Institute of Architects incorporated by Sri Lanka Institute of Architects Law, No. 01 of 1976
- vii. Members of Institute of Quantity Surveyors Sri Lanka incorporated by Act, No. 20 of 2007
- viii. Attorneys-at-Law of the Supreme Court of Sri Lanka
- ix. The persons who registered their businesses in Divisional Secretariats
- x. The persons who have vehicles registered (other than Three wheelers, Motor bicycles and Hand Tractors) in Department of Motor Traffic
- xi. The persons who have purchased or acquired by virtue of Deeds of Transfer, of any immovable property in Sri Lanka on or after April 01, 2018
- xii. Employee whose monthly contribution from both employee and employer to any Provident Fund is more than Rs. 20,000/-
- xiii. Any individual who obtains approval for a building plan from a Local Authority
- xiv. Any other individual who receives payment of Rs. 100,000/- per month or Rs. 1,200,000/- for twelve months period for providing any services in Sri Lanka

PART - B

With effect from January 01, 2024, any individual who does not belong to any category in PART - A, and :-

- i. Who is at the age of 18 years or more as at December 31, 2023, or
- ii. Who attains the age of 18 years on or after January 01, 2024, after attaining the age of 18 years.

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