

“from April 1, 2023”, of the words and figures “from April 1, 2023, but prior to April 1, 2025”;

- (b) by the insertion immediately after subparagraph (1C) of that paragraph, of the following new subparagraph: -

“(1D) Subject to the provisions of subparagraph (2), the taxable income of a resident or non-resident individual for a year of assessment commencing from April 1, 2025 shall be taxed at the following rates: -

<i>Taxable income</i>	<i>Tax Payable</i>
Not exceeding Rs. 1,000,000	6% of the amount in excess of Rs.0
Exceeding Rs. 1,000,000 but not exceeding Rs. 1,500,000	Rs. 60,000 plus 18% of the amount in excess of Rs. 1,000,000
Exceeding Rs. 1,500,000 but not exceeding Rs. 2,000,000	Rs. 150,000 plus 24% of the amount in excess of Rs. 1,500,000
Exceeding Rs. 2,000,000 but not exceeding Rs. 2,500,000	Rs. 270,000 plus 30% of the amount in excess of Rs. 2,000,000

Exceeding Rs. 2,500,000	Rs. 420,000 plus 36% of the amount in excess of Rs. 2,500,000
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- (c) by the repeal of item (c) of subparagraph (2) of that paragraph and the substitution therefor, of the following item: -

“(c) the type of business income referred to in subparagraph (4) shall be taxed at the rate of –

- (i) 40%, prior to April 1, 2025;  
and
- (ii) 45%, with effect from April 1, 2025; and”;

- (d) by the addition immediately after subparagraph (5) of that paragraph, of the following new subparagraph: -

“(6) Notwithstanding anything to the contrary in the provisions of subparagraph (1D), an individual’s following gains and profits shall be taxed at the maximum rate of 15% with effect from April 1, 2025: –

- (a) the gains and profits earned or derived from any service rendered in or outside Sri Lanka to any person to be utilized outside Sri Lanka, where the payment for such services is received in foreign currency

and remitted through a bank to Sri Lanka;

- (b) the gains and profits earned or derived from any foreign source where such gains and profits are earned or derived in foreign currency and remitted through a bank to Sri Lanka.”;

(2) in paragraph 4 of that Schedule –

- (a) in subparagraph (1) of that paragraph, by the substitution for the words and figures “subparagraphs (2), (2A), (2B) and (3)”, of the words and figures “subparagraphs (2), (2A), (2B), (2C) and (3)”;
- (b) in subparagraph (2B) of that paragraph, by the substitution for the words and figures “commencing on or after April 1, 2023,”, of the words and figures “commencing on or after April 1, 2023, but prior to April 1, 2025,”; and
- (c) by the addition immediately after subparagraph (2B) of that paragraph, of the following new subparagraph: -

“(2C) Such part of the following gains and profits of a company which includes in its taxable income for any year of assessment commencing on or after April 1, 2025, the gains and profits of a company shall be taxed at the following rates: -

- (a) gains and profits earned or derived from any service rendered in or outside Sri Lanka to any person to be utilized outside Sri Lanka, where the payment for such services is received in foreign currency and remitted through a bank to Sri Lanka -15%;
  - (b) gains and profits earned or derived from any foreign source where such gains and profits are earned or derived in foreign currency and remitted through a bank to Sri Lanka – 15%;
  - (c) gains and profits from conducting betting and gaming – 45%; and
  - (d) gains and profits from the manufacture and sale or import and sale of any liquor or tobacco product other than the export of such product – 45%.”; and
- (3) by the repeal of item (d)(ii) of subparagraph (1) of paragraph 10 of that Schedule, and the substitution therefor, of the following item: -
  - “(ii) interest or discount paid –
    - (a) with effect from January 1, 2023, but prior to April 1, 2025 - 5%;
    - (b) with effect from April 1, 2025 – 10%.”.