

TAX TABLE NO: 01

Monthly Tax Deductions from Regular Profits from Primary Employment

This table applies to:

- All resident employees, and
 - All non-resident employees who are citizens of Sri Lanka, provided they have submitted their primary declarations to their employers or have only one employment.
01. Tax Table No. 01 should be used to deduct tax from the regular employment income of the employees mentioned above, payable during a calendar month. The tax deduction must be made compulsorily, regardless of the employee's consent.
 02. Regular profits from employment include:
 - i. Wages, salary, commission, overtime payment, travelling allowance, and other allowances, fees, pension or such other profits from employment that arise in any pay period,
 - ii. Payment on housing, conveyance, electricity, telephone bills and entertainment etc and the fair market value of benefits received or derived by virtue of the employment by an individual or an associate person of the individual (Non cash benefits),
 - iii. Payment on medical bills and insurance policies (other than discharge or reimbursement of the person's dental, medical or health insurance expenses where the benefit is available to all full-time employees on equal terms),
 - iv. Payments or transfers to another person for the benefit of the individual or an associate person of the individual;
 03. In preparing this Tax Table, Rs. 150,000.00 per month as **personal relief** has already been deducted. Hence, tax deductions should be made from the profits from employment applying Tax Tables without deducting any sum from such profits from employment.
 04. With regard to any employee whose monthly total regular profits from employment (total of employment income described in paragraph 02 above) is less than Rs. 150,000.00, but cumulative profits up to any month during the year of assessment exceeds Rs. 1,800,000.00, then tax deductions should be made commencing from that month applying Tax Table No: 05.
 05. In the case where an employee enters in to employment or retires during the year of assessment to deduct his/her tax, Tax Table No. 05 should be applied.
 06. If any employee is paid salary arrears for a reason such as service suspension, then to deduct tax from such salary arrears, Tax Table No. 02 should be applied.
 07. Other than the exempt amounts given in the Third Schedule of the Inland Revenue Act, No. 24 of 2017 (as amended), no exemptions are available for employment income.

Note: For deduction of tax on Lump-sum Payments, Tax Table No: 02 should be applied. For deduction of tax on Once-and-for-all Payments, Tax Table No: 03 should be applied.

Summarized Tax Table - Regular Profits from Employment

Monthly regular profits from employment (Taxable)	Tax
1. Monthly regular profits from employment up to Rs. 150,000/-	- Relief from Tax
2. Monthly regular profits from employment exceeding Rs. 150,000/- but not exceeding Rs. 233,333/-	- 6% of monthly regular profits from employment less Rs. 9,000/-
3. Monthly regular profits from employment exceeding Rs. 233,333/- but not exceeding Rs. 275,000/-	- 18% of monthly regular profits from employment less Rs. 37,000/-
4. Monthly regular profits from employment exceeding Rs. 275,000/- but not exceeding Rs. 316,667/-	- 24% of monthly regular profits from employment less Rs. 53,500/-
5. Monthly regular profits from employment exceeding Rs. 316,667/- but not exceeding Rs. 358,333/-	- 30% of monthly regular profits from employment less Rs. 72,500/-
6. Monthly regular profits from employment exceeding Rs. 358,333/-	- 36% of monthly regular profits from employment less Rs. 94,000/-