



**PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA**

**SAVE THE NATION CONTRIBUTION
ACT, No. 5 OF 1996**

[Certified on 20th March, 1996]

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L.D.—O. 65/95

AN ACT TO PROVIDE FOR THE IMPOSITION OF A SAVE THE NATION CONTRIBUTION FOR EVERY QUARTER OF THE YEAR COMMENCING ON APRIL 1, 1996; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

1. This Act may be cited as the Save the Nation Contribution Act, No. 5 of 1996. Short title.

2. (1) The provisions of this Act shall apply to every citizen of Sri Lanka, who— Application of Act.

(a) is in receipt of profits from any office or any employment (being profits within the meaning of section 4 of the Inland Revenue Act), other than any profits from any office or employment as—

(i) a member of the Sri Lanka Police Force ; or

(ii) a member of the Sri Lanka Army, Sri Lanka Navy or Sri Lanka Air Force

(hereinafter referred to as an "employee") ; or

(b) carries on, or exercises, any profession, vocation or similar occupation of an independent character other than as a partner of a partnership referred to in paragraph (c), (hereinafter referred to as a "self employed person") ; or

(c) carries on or exercises any profession, vocation or similar occupation of an independent character, in partnership with others, (hereinafter referred to as a "partner") ; or

(d) is both, an employee and a self employed person, or an employee and a partner or a self-employed person and a partner ; or

(e) is an employee and a self-employed person and a partner.

(2) Every citizen of Sri Lanka referred to in subsection (1) is hereinafter in this Act referred to as "a person to whom this Act applies".

Imposition
of the
Save the
Nation
Contribution.

3. (1) Subject to the succeeding provisions of this Act, there shall be charged and recovered from every person to whom this Act applies, for every quarter of the year commencing on April 1, 1996 (hereinafter referred as "a relevant quarter"), a contribution to be called a "Save the Nation Contribution" (hereinafter in this Act referred to as the "contribution") calculated on the emoluments of that person for that quarter, at the appropriate rates set out in the Schedule to this Act.

(2) Subject to the succeeding provisions of this Act, the contribution payable by a person to whom this Act applies for any relevant quarter shall be paid by such person to the Commissioner-General, on or before the fifteenth day of the month immediately succeeding the end of that quarter.

Employer to
deduct the
employees'
contribution.

4. The employer of every person to whom this Act applies who is an employee shall deduct, for every month in a relevant quarter, from the emoluments payable to such person by such employer, an amount equivalent to—

(i) two *per centum* of the emoluments of such person for such month, if the aggregate of the monthly emoluments of that person for that quarter exceeds forty five thousand rupees but does not exceed ninety thousand rupees; or

(ii) three *per centum* of the emoluments of such person for such month, if the aggregate of the monthly emoluments of that person for that quarter exceeds ninety thousand, rupees,

and remit such amount to the Commissioner-General on or before the fifteenth day of the month immediately succeeding the end of the month in which such amount is so deducted.

Contribution
to be
recovered
from
employer in
certain
circumstances.

5. Where for any month in a relevant quarter, any employer fails to deduct, or deducts and fails to remit, any amount which he is required to deduct and remit, under section 4, in the manner provided for in that section, such amount may be recovered from such employer. The provisions of sections 107, 108, 109 and 110 of Chapter XXI of the Inland Revenue Act shall, *mutatis mutandis*, apply to the assessment, payment and recovery of the amounts so required to be deducted and remitted by such employer, and to the penalties for default of payment of that such amounts.

6. Where the aggregate of the amount deducted and remitted, for a relevant quarter, under section 4, in respect of a person to whom this Act applies who is an employee is less than the contribution payable by such person for that quarter, such person shall pay the difference between the amount of such contribution and the aggregate of the amounts so deducted and remitted, to the Commissioner-General, within fifteen days of the end of that quarter.

Difference
between
contribution
and amounts
deducted
under section
4 to be paid
by employee.

7. (1) Where a contribution or part thereof payable by a person to whom this Act applies is not paid on or before the date specified in subsection (2) of section 3 for the payment of that contribution, such contribution or a part thereof, or where any contribution or part thereof is assessed by an Assessor, for any relevant quarter, and required to be paid on or before the date specified in the notice of assessment, is not so paid, such contribution or part thereof, shall be deemed to be in default, with effect from the date specified in subsection (2) of section 3 or the date specified in such notice of assessment, as the case may be, and such person shall be deemed to be a defaulter for the purposes of this Act, with effect from that date.

Penalty for
default.

(2) Where any contribution or part thereof is in default, the defaulter shall, in addition to the contribution or part thereof in default, pay—

(i) a penalty of a sum equivalent to ten *per centum* of the amount in default; and

(ii) where such contribution is not paid before the expiry of thirty days after it has begun to be in default, a further penalty equivalent to two *per centum* of the contribution in default in respect of each further period of thirty days or part thereof during which it remains in default:

Provided that the total amount payable as a penalty under the preceding provision of this section shall in no case exceed fifty *per centum* of the contribution in default.

8. The provisions of Chapter XIII (other than sections 94 and 95) and Chapters XVII, XIX, XXI and XXIII of the Inland Revenue Act, relating to returns assessments, finality of assessments, penalty for incorrect returns, recovery and repayment of income tax,

Provisions
relating to
recovery &c

Chapter XVIII of that Act relating to appeals against income tax, Chapters XXII, XXIV and XXVI of that Act relating to miscellaneous matters, penalties, and offences and general matters under that Act, and Chapter XXV of that Act relating to the administration of that Act shall, *mutatis mutandis*, apply to assessments, finality of assessments, incorrect returns, recovery and repayment of the contribution payable under this Act, appeals against such contribution, miscellaneous matters, penalties and offences and general matters arising under this Act, and to the administration of this Act.

Sinhala text to prevail in case of inconsistency.

9. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Interpretation

10. In this Act unless the context otherwise requires—

“Commissioner-General” “person” and “precedent partner.” have the respective meanings assigned to them by the Inland Revenue Act;

“employer” means any person, partnership, body of persons or any organization—

(a) for whom an individual performs services as an employee;

(b) paying any profits from employment within the meaning of section 4 of the Inland Revenue Act;

(c) paying any pension or other remuneration to any former employee or to any other person, for the past services of such employee,

and includes in the case of a body, institution or person specified in Column I hereunder, the person specified in the corresponding entry in Column II hereunder

Column I

Column II

1. A company or a body of persons whether corporate or unincorporate.

The secretary, manager or other principal officer of such company or body of person.

2. A partnership. The precedent partner or any active partner resident in Sri Lanka and in the case of a partnership of which no active partner is resident in Sri Lanka, the agent of such partnership in Sri Lanka.

3. The President of the Democratic Socialist Republic of Sri Lanka. The person responsible for the payment of the emoluments.

4. A Member of Parliament or any Minister of the Cabinet of Ministers, the Governor of a Province, a Minister of the Board of Ministers of a Province, Member of a Provincial Council.

5. Any judicial officer as defined in Article 170 of the Constitution. — do —

6. A person referred to in section 9 (1) (bb) (x) of the Inland Revenue Act. — do —

“emoluments” in relation to any relevant quarter and to any person to whom this Act applies—

(a) who is an employee, means the profits (arising, or accruing or paid in, Sri Lanka) from employment within the meaning of section 4 (1) (a) (i) of the Inland Revenue Act, other than overtime pay of such person for such quarter;

(b) who is a self-employed person, means fifty per centum of the turnover within the meaning of the Turnover Tax Act, No. 69 1981, of such person, for such quarter.

arising from the profession, vocation or similar occupation of an independent character carried on, or exercised by, such person ;

(c) who is a partner, means such part of the turnover, within the meaning of the Turnover Tax Act, No. 69 of 1981, for such quarter of the partnership of which he is a partner as is attributable to such partner, if twenty-five per centum of such turnover were to be distributed among the partners of such partnership in the proportion in which the divisible profit of such partnership is distributable among such partners ;

(d) who is both, an employee and a self-employed person or an employee and a partner or a self-employed person and a partner means the aggregate of the profits referred to in paragraph (a) and the percentage of the turnover referred to in paragraph (b) or the profits referred to in paragraph (a) and the part of the turnover referred to in paragraph (c) or a percentage of the turnover referred to in paragraph (b) and the part of the turnover referred to in paragraph (c) as the case may be ;

(e) who is an employee and a self-employed person and a partner means the aggregate of the profits referred to in paragraph (a) and the percentage of the turnover referred to in paragraph (b) and the part of the turnover referred to in paragraph (c) ;

"Inland Revenue Act" means the Inland Revenue Act, No. 28 of 1979.

SCHEDULE

[section 3]

<i>Emoluments for a relevant quarter</i>	<i>Rate</i>
Where the emoluments of a person to whom this Act applies for a relevant quarter does not exceed forty-five thousand rupees	Nil

Where the emoluments of a person to whom this Act applies for a relevant quarter exceeds forty-five thousand rupees but does not exceed ninety thousand rupees, 2 per centum of such emoluments

Where the emoluments of a person to whom this Act applies for a relevant quarter exceeds ninety thousand rupees, 3 per centum of such emoluments