



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

SURCHARGE ON WEALTH TAX

ACT, No. 8 OF 1989

[Certified on 11th May, 1989]

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Surcharge on Wealth Tax Act, No. 8 of 1989

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L.D.—O. 11/89

AN ACT TO IMPOSE A SURCHARGE ON EVERY PERSON LIABLE TO PAY WEALTH TAX FOR THE YEARS OF ASSESSMENT COMMENCING RESPECTIVELY ON APRIL 1, 1989, AND ON APRIL 1, 1990, BY REFERENCE TO THE WEALTH TAX PAYABLE BY SUCH PERSON FOR EACH OF SUCH YEARS OF ASSESSMENT; 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 Surcharge on Wealth Tax Act, No. 8 of 1989. Short title.

2. Every person who, under the Inland Revenue Act, is chargeable with wealth tax for any year of assessment commencing on or after April 1, 1989, but ending not later than March 31, 1991, (hereafter in this Act referred to as "a relevant year") shall, notwithstanding anything contained in any written law, be liable to pay a surcharge on the wealth tax payable by him for a relevant year (hereafter in this Act referred to as "the surcharge") at the rate of fifteen *per centum* of the wealth tax payable by such person for that relevant year. Imposition of surcharge on wealth tax.

3. Every person who is liable to pay the surcharge under this Act shall, notwithstanding that no assessment has been made on him, pay to the Commissioner-General— Dates for payment of the surcharge.

(i) (a) not less than fifty *per centum* on or before August 15, 1989; and

(b) the balance on or before November 15, 1989, of the amount of the surcharge payable by him for the relevant year commencing on April 1, 1989; and

(ii) (a) not less than fifty *per centum*, on or before August 15, 1990; and

(b) the balance on or before November 15, 1990, of the amount of the surcharge payable by him for the relevant year commencing on April 1, 1990.

4. (1) Where an instalment of the surcharge or a part of such instalment is not paid on or before the dates specified in section 3 for the payment of that instalment, such instalment of the surcharge or part thereof, shall be deemed to be in default and the person by whom the surcharge is payable shall be deemed to be a defaulter for the purposes of this Act. Levy in default and sums added thereto.

(2) Where any surcharge payable by any person is in default, the defaulter shall, in addition to the surcharge in default, pay as a penalty—

(a) a sum equal to five *per centum* of the amount in default; and

(b) where any amount in default is not paid before the expiry of thirty days after it has begun to be in default, a further sum equivalent to five *per centum* of the amount in default in respect of each further period of three months or part of such period during which it is in default:

Provided that—

(i) the total amount payable as a penalty under the preceding provisions of this section shall in no case exceed fifty *per centum* of the surcharge in default;

(ii) where any person who is liable to pay the surcharge under this Act pays as such surcharge—

(aa) for the relevant year commencing on April 1, 1989—

(i) not less than $7\frac{1}{2}$ per cent on or before August 15, 1990; and

(ii) not less than $7\frac{1}{2}$ per cent on or before November 15, 1989,

of the wealth tax payable by him under the Inland Revenue Act, for the year as assessment commencing on April 1, 1988; and

(bb) for the relevant year commencing on April 1, 1990—

(i) not less than $7\frac{1}{2}$ per cent on or before August 15, 1990; and

(ii) not less than $7\frac{1}{2}$ per cent on or before November 15, 1990,

of the wealth tax payable by him under the Inland Revenue Act for the year of assessment commencing on April 1, 1989.

such person shall not be liable to any penalty under this section, in respect of the payments he is required to make under section 3 if he pays the excess of the surcharge payable by him for that relevant year over the amount paid by him, on or before—

- (i) November 30, 1990, in the case of the relevant year commencing on April 1, 1989, and
- (ii) November 30, 1991, in the case of the relevant year commencing on April 1, 1990.

(3) The Commissioner-General may reduce or waive any penalty payable under this section if it appears to him that such reduction or waiver is just and equitable in all the circumstances of the case.

5. The provisions of Chapter XIII and Chapters XVII to XIX and Chapters XXI to XXVI of the Inland Revenue Act, relating to the furnishing of returns relating to wealth tax payable under that Act, assessment, appeals against assessment, payment, recovery and refund of such tax shall, *mutatis mutandis*, apply to the furnishing of returns relating to the surcharge payable under this Act, and the assessment, appeals against assessment, payment, recovery and refunds, of such surcharge subject to the following modifications:--

Certain provisions of the Inland Revenue Act to apply.

- (a) the requirement imposed by this Act on any person to furnish a return of the surcharge payable by him under this Act, for any relevant year shall be deemed to have been sufficiently complied with if such person furnishes a return of his wealth for that year under section 92(1) or section 92(2) of the Inland Revenue Act;
- (b) where an Assessor makes an assessment or an additional assessment on any person, of the wealth tax payable by such person under the Inland Revenue Act for any relevant year, the Assessor may, at the same time and in the same form, make an assessment or additional assessment, as the case may be, of the surcharge payable by such person for that year under this Act. The assessments or additional assessments, as the case may be, shall be deemed to be separate assessments issued under the respective Acts;
- (c) where a notice of assessment is given to any person under section 116 of the Inland Revenue Act stating the amount of wealth tax charged on such person under the Inland Revenue Act, for any relevant year, such notice may also include the amount of the surcharge charged on such person under this Act, for that year. The notices shall be deemed to be separate notices issued under the respective Acts;

(d) where an appeal is made against an assessment of wealth tax payable under the Inland Revenue Act for any relevant year, such appeal shall be deemed to include an appeal against the surcharge payable under this Act, for that year and shall be determined accordingly ; and

(e) where under Chapter XXI of the Inland Revenue Act, a certificate is issued to a Magistrate or a notice, statement or certificate is issued to any person, such notice, statement or certificate as the case may be, may also include the particulars of any surcharge in default under this Act. The notices, statements or certificates, as the case may be, shall be deemed to be separate notices, statements or certificates issued under the respective Acts.

Sinhala
text to
prevail
in the
event of
inconsistency.

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

Interpretation

7. In this Act, unless the context otherwise requires—

“ Assessor ”, “ Commissioner-General ”, “ person ” and “ year of assessment ” have the respective meanings assigned to them in the Inland Revenue Act ;

“ Inland Revenue Act ” means the Inland Revenue Act, No. 28 of 1979 ; and

“ wealth tax ” means the wealth tax charged and levied under the Inland Revenue Act.