



PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA

TAX AMNESTY
(HOUSING AND COMMERCIAL BUILDINGS)
ACT, No. 30 OF 1992

[Certified on 27th May, 1992]

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**Tax Amnesty (Housing and Commercial Buildings)
Act, No. 30 of 1992**

L.D.—O. 45/91

[Certified on 27th May, 1992]

AN ACT TO PROVIDE FOR TAX CONCESSIONS TO PERSONS WHO USE THE WHOLE OR PART OF THEIR RELEVANT PROFITS AND INCOME IN THE CONSTRUCTION OF HOUSES OR COMMERCIAL BUILDINGS, OR IN THE RENOVATION OF COMMERCIAL BUILDINGS, OR, IN THE PURCHASE OF HOUSES WITH A VIEW TO SECURING IN THE FUTURE, FULL COMPLIANCE BY SUCH PERSONS WITH TAX LAWS AND TO INCREASING THE HOUSING STOCK OF SRI LANKA ; TO INDEMNIFY PERSONS WHO USE SUCH PROFITS AND INCOME FOR THE PURPOSES OF SUCH CONSTRUCTION, RENOVATION, OR PURCHASE, AGAINST PROSECUTIONS FOR OFFENCES IN RELATION TO SUCH PROFITS AND INCOME ; 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 Tax Amnesty (Housing and Commercial Buildings) Act, No. 30 of 1992.

Short Title.

2. (1) This Act shall, subject to the provisions of subsection (2), apply to any person who has any moneys representing the whole or any part of his relevant profits and income.

Persons to whom this Act applies.

(2) This Act shall not apply to any person in relation to whom any investigation was pending on October 1, 1991, for any alleged or suspected evasion of any tax payable under the Inland Revenue Act or the Turnover Tax Act, in respect of any profits and income, or turnover, as the case may be, which arose, or accrued to, or was derived by, such person, on or before March 31, 1991.

(3) Every person referred to in subsection (1), not being a person to whom the provisions of subsection (2) apply, shall, hereafter in this Act, be referred to as "a person to whom this Act applies".

3. (1) Any person to whom this Act applies may, after September 30, 1991, use the whole or any part of his relevant profits and income for any one or more of the following purposes—

Purposes for which relevant profits and income may be used.

(a) the construction of one or more houses, the internal floor area of each of which (excluding the thickness of the outer walls), does not exceed one

2 Tax Amnesty (Housing and Commercial Buildings)
Act, No. 30 of 1992

hundred and twenty-five square metres on land, not exceeding one-fortieth part of a hectare in extent and owned by such person ;

(b) the construction of one or more buildings each consisting of two or more housing units, the internal floor area of each of which (excluding the thickness of the outer walls) does not exceed one hundred and twenty-five square metres, on land not exceeding such extent as is approved for the purposes of such construction, by the Urban Development Authority and owned by such person ;

(c) the purchase, for occupation as a residence for himself, of any such house as is referred to in paragraph (a), constructed by a qualified person ;

(d) the purchase, for occupation as a residence for himself, of any such housing unit as is referred to in paragraph (b) and comprised in a building constructed by a qualified person ;

(e) the construction, at a cost not exceeding five million rupees, of one or more buildings each such building being a building which is assessed as a commercial premises for the purposes of levying rates, on land not exceeding such extent as is approved for the purposes of such construction, by the Urban Development Authority and owned by such person ;

(f) the renovation, at a cost not exceeding five million rupees, of a derelict building, being a building which is assessed as a commercial premises for the purposes of levying rates and owned by such person,

where the plan for the construction referred to in paragraph (a) or paragraph (b) or paragraph (e), or for the renovation referred to in paragraph (f), as the case may be, is approved by the appropriate local authority or the Urban Development Authority, as the case may be, after September 30, 1991.

The expression "renovation" in relation to any building referred to in paragraph (f) means the re-building, restoring or upgrading, of such building.

(2) A person to whom this Act applies and who constructs any such house or building as is referred to in paragraph (a) or paragraph (b) or paragraph (e) of subsection (1) or

Tax Amnesty (Housing and Commercial Buildings) 3
Act, No. 30 of 1992

purchases any such house or housing unit as is referred to in paragraph (a) or paragraph (b) of subsection (1) or renovates any such building as is referred to in paragraph (f) of subsection (1) and completes such construction or renovation, or purchase of such house or housing unit, as the case may be, before October 1, 1994, may, within ninety days of the date of completion of such construction or renovation or the date of such purchase, as the case may be, furnish to the Commission-General—

(a) a declaration in the Form set out in the Schedule to this Act, setting out the amount of his relevant profits and income that he has used for the purpose of such construction, renovation or purchase, as the case may be ;

(b) a certificate issued under section 4 by the Urban Development Authority or a public officer or officer of a local authority authorized in that behalf by the Urban Development Authority, in respect of such construction, renovation or purchase, as the case may be.

(3) A person to whom this Act applies who furnishes to the Commissioner-General, the declaration and the certificate referred to in subsection (2) within the period referred to in that subsection, is in this Act, referred to as a "qualified person".

4. (1) The Urban Development Authority or any public officer or officer of a local authority authorized in that behalf by the Urban Development Authority, shall, on an application made therefor to the Urban Development Authority, by a person who has constructed any such house or building as is referred to in paragraph (a) or paragraph (b) or paragraph (e) of subsection (1) of section 3 or has purchased any such house or housing unit as is referred to in paragraph (a) or paragraph (b) of subsection (1) of section 3 or has renovated any such building as is referred in paragraph (a) or paragraph (b) of subsection (1) of certificate in respect of such construction, purchase, or renovation, as the case may be, if such Authority or public officer or officer of a local authority is satisfied—

Urban Deve-
lopment
Authrity
to issue
certificate
in respect
of construct-
tion,
renovation
or purchase.

(a) in the case of the construction of a house or building, that such house or building conforms to the requirements specified in paragraph (a) or paragraph (b)

4 Tax Amnesty (Housing and Commercial Buildings)
Act, No. 30 of 1992

or paragraph (e) of subsection (1) of section 3, as the case may be, and that the amount declared to have been used for such construction is not excessive, having regard to prevailing costs of building ;

(b) in the case of the purchase of a house or housing unit, that such house or housing unit conforms to the requirements specified in paragraph (a) or paragraph (b) of subsection (1) of section 3, as the case may be, and the amount declared to have been used for such purchase does not exceed the market value on the date of the purchase of, such house, or housing unit, as the case may be ;

(c) in the case of the renovation of a building, that such building conforms to the requirements set out in paragraph (f) of subsection (1) of section 3 and that the amount declared to have been used for such renovation is not excessive having regard to the prevailing costs of building.

(2) Every certificate issued under subsection (1) shall contain the following particulars :—

(a) the name, address and national identity card or registration number of the person applying for the certificate ;

(b) the date of purchase, or the date of commencement and completion, of the construction or renovation of the house or building to which the application relates ;

(c) the internal floor area (excluding the thickness of the outer walls) of such house, or building and, in the case of a building containing more than one housing unit, the internal floor area (excluding the thickness of the outer walls) of each such unit ;

(d) the extent of land on which such house or building has been constructed and where such extent requires the approval of the Urban Development Authority that such approval has been obtained ;

(e) whether such house or building has been assessed for purposes of levying rates, and if so, whether such house or building has been assessed as residential or commercial premises ;

(f) whether such house or building is situated in an urban development area, within the meaning of the Urban Development Authority Act ;

Tax Amnesty (Housing and Commercial Buildings) 5
Act, No. 30 of 1992

(g) in the case of a purchase of a house or housing unit the name, address and national identity card or registration number of the seller ;

(h) the amount declared to have been used by the applicant for such construction, purchase or renovation, as the case may be.

5. No qualified person shall be liable—

Indemnification.

(a) to pay—

(i) for any year of assessment ending on or before March 31, 1991, any income tax or surcharge on income tax payable respectively under the Inland Revenue Act or the Surcharge on Income Tax Act, in respect of such part of his relevant profits or income as is represented by the amount used by him for any one or more of the purposes referred to in subsection (1) of section 3, and which amount is specified in a certificate issued in respect of such purpose, under section 4 ;

(ii) for any year of assessment ending on or before March 31, 1991, any wealth tax or surcharge on wealth tax payable respectively under the Inland Revenue Act, or the Surcharge on Wealth Tax Act in respect of such part of his net wealth, for the acquisition of which such part of his relevant profits and income as is referred to in sub-paragraph (i) had been utilized ; or

(iii) for any quarter ending on or before March 31, 1991, any turnover tax payable under the Turnover Tax Act, in respect of such part of the turnover from which such part of his relevant profits and income as is referred to in sub-paragraph (i) arose or was derived ;

(b) to any prosecution or to any penalty for any offence under—

(i) the Inland Revenue Act, the Surcharge on Income Tax Act or the Surcharge on Wealth Tax Act, in relation to any year of assessment ending on or before March 31, 1991, in respect

6 Tax Amnesty (Housing and Commercial Buildings)
Act, No. 30 of 1992

of, or in connection with, such part of his relevant profits or income as is referred to in sub-paragraph (i) of paragraph (a), or such part of his net wealth as is referred to in sub-paragraph (ii) of paragraph (a); or

(ii) the Turnover Tax Act, in relation to any quarter ending on or before March 31, 1991, in respect of, or in connection with, such part of his turnover as is referred to in sub-paragraph (iii) of paragraph (a).

Provisions of this Act not to be construed as authorising the revision of any assessment previously made.

6. Nothing in the preceding provisions of this Act shall be read or construed as authorising the revision of—

(a) any assessment made under the provisions of—

(i) the Inland Revenue Act or the Surcharge on Income Tax Act or the Surcharge on Wealth Tax Act; or

(ii) the Turnover Tax Act, or

(b) any other matter,

which has become final and conclusive under the provisions of any such Act.

Qualified persons not to be entitled to certain deductions.

7. Notwithstanding anything in any other law, no deduction shall, for the purposes of section 30 of the Inland Revenue Act, be allowed to any qualified person for any year of assessment in respect of any sum used by him for any of the purposes referred to in subsection (1) of section 3.

Official secrecy.

8. (1) Except in the performance of his duties under this Act, every officer or employee of the Department of Inland Revenue or of the Urban Development Authority shall preserve and aid in preserving secrecy with regard to all matters that may come to his knowledge in the administration of this Act.

(2) Any officer or employee of the Department of Inland Revenue or of the Urban Development Authority who acts in contravention of the provisions of subsection (1), shall be guilty of an offence, under this Act, and shall, on conviction after summary trial before a Magistrate, be liable to a fine not exceeding five thousand rupees.

(3) For the purposes of this section—

(a) any public officer, or

(b) any officer of a local authority,

Tax Amnesty (Housing and Commercial Buildings) 7
Act, No. 30 of 1992

who is authorized by the Urban Development Authority to act for, and on behalf of, the Urban Development Authority for the purposes of this Act, shall be deemed to be an officer of the Urban Development Authority.

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

10. In this Act, unless the context otherwise requires, the expressions "Commissioner-General", "local authority", "profits and income" and "year of assessment" shall have the same meanings respectively, as in the Inland Revenue Act ; Interpretation.

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

"person" includes a company, a body of persons and a partnership ;

"relevant profits and income" in relation to any person means any profits and income—

(a) which arose or accrued to, or was derived by, such person before April 1, 1991 ;

(b) which under the Inland Revenue Act, was chargeable with income tax ; and

(c) in respect of which no return has been furnished by such person under that Act or which has not been disclosed in any return furnished by such person under that Act or in respect of which no assessment has been made under that Act ;

"Surcharge on Wealth Tax Act" means the Surcharge on Income Tax Act, No. 26 of 1982, or the Surcharge on Income Tax Act, No. 12 of 1984 or the Surcharge on Income Tax Act, No. 7 of 1989 ;

"Surcharge on Wealth Tax Act" means the Surcharge on Wealth Tax Act, No. 25 of 1982, or the Surcharge on Wealth Tax Act, No. 8 of 1989 ;

"turnover" has the same meaning as in the Turnover Tax Act ;

"Turnover Tax Act" means the Turnover Tax Act, No. 69 of 1981 ;

"Urban Development Authority" means the Urban Development Authority established by the Urban Development Authority Law, No. 41 of 1978.

8 Tax Amnesty (Housing and Commercial Buildings)
Act, No. 30 of 1992

SCHEDULE [Section 3(2)(a)]

Tax Amnesty (Housing and Commercial Buildings)

Act, No. 30 of 1992

Declaration under section 3(2)(a)

Income Tax File No. (if any) :

*National Identity Card No. (if individual) :

*Name and Registration No. (if other than individual) :

.....

*(If individual) I, Mr./Mrs./Miss :

(Full Name)

of

(Address)

* (if other than individual) I, Mr./Mrs./Miss*

...../being

(Full name)

(Designation)

of

(name of company/partnership/body of persons*)

submit herewith a certificate from the Urban Development
Authority issued under section 4 of the Tax Amnesty (Housing
and Commercial Buildings) Act, No. 30 of 1992 in
respect of—

(a) house/building consisting of housing units constructed by
me/.....

(name of company)

.....
(partnership/body of persons).

* (b) house/housing unit purchased by me,

* (c) commercial building constructed/renovated by me/.....

.....

(name of company/partnership/body of persons)*

and

hereby declare that I/.....

(name of company/partnership/body of
persons/individual)*

have/has used, for such construction/purchase/renova-
tion, a sum of rupees

(in words)

(Rs.), out of

(in figures)

*my relevant profits and income,

Tax Amnesty (Housing and Commercial Buildings) 9
Act, No. 30 of 1992

*the relevant profit and income of
(name of company/partnership/body of persons)*

within the meaning of that expression in the said Act and *that
I shall occupy such house/housing unit as my residence.

I request that I/..... be
(name of company/partnership/body of persons)*

granted the indemnifications, set out in section 5 of the said
Act in respect of the sum of Rupees
(in words)

(Rs.....) so used by me
(in figures)

.....
(name of company/partnership/body of persons*)

*Delete whichever is inapplicable.

Date : —

.....
Signature.