

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

**Part II of August 19, 2016**

**SUPPLEMENT**

*(Issued on 19.08.2016)*



**NATION BUILDING TAX (AMENDMENT)**

**A**

**BILL**

**to amend the Nation Building Tax Act, No. 9 of 2009**

*Ordered to be published by the Minister of Finance*

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#### *STATEMENT OF LEGAL EFFECT*

*Clause 2 :* This clause amends section 3 of the Nation Building Tax Act, No. 9 of 2009 (hereinafter referred to as the “principal enactment”) and the legal effect of the section as amended is -

- (a) to limit the exemption granted to certain articles which are subject to the payment of Excise Duty under the Excise Duty (Special Provision) Act, No. 13 of 1989 and cess under Sri Lanka Export Development Act, No. 40 of 1979, to articles which are liable to pay such duty in lieu of Nation Building Tax under the principal enactment and Value Added Tax under the Value Added Tax Act, No. 14 of 2002; and
- (b) to vary the limits of liable turnover chargeable under that section in respect of certain categories of persons.

*Clause 3 :* This clause amends section 8 of the principal enactment and the legal effect of the section as amended is to specify certain categories of persons in respect of whom assessments or additional assessments shall not be made under the principal enactment.

*Clause 4 :* This clause amends the First Schedule to the principal enactment and the legal effect of that section as amended is to provide for the revision of existing criteria of exemptions relating to certain articles.

*Clause 5 :* This clause introduces a validating clause the legal effect of which is to validate certain taxes calculated under the provisions of this Act and collected by the Commissioner-General of Inland Revenue and the Director-General of Customs under the provisions of sections 4 and 5 respectively of the principal enactment from persons to whom this Act applies within the period specified therein, and further to provide that such provisions shall not affect any decision or order made by any Court or any proceedings pending before any Court in respect of any such tax collected as above.

*Nation Building Tax (Amendment)*

L.D.—O. 28/2016

AN ACT TO AMEND THE NATION BUILDING TAX  
ACT, No. 9 OF 2009

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

1. This Act may be cited as the Nation Building Tax (Amendment) Act, No.     of 2016, and shall be deemed to  
5 have come into operation from January 1, 2016 unless  
different dates of operation are specified hereunder.

Short title  
and date of  
operation.

2. Section 3 of the Nation Building Tax Act, No. 9 of  
2009 (hereinafter referred to as the “principal enactment”),  
as last amended by Act, No. 12 of 2015 is hereby further  
10 amended as follows:-

Amendment  
of Section 3  
of Act, No. 9  
of 2009

(1) in paragraph (iv) of subsection (2) of that section-

(a) in sub-paragraph (11) thereof, by the  
substitution for the words and figures “under  
the Excise (Special Provisions) Act, No. 13  
15 of 1989, on the importation”, of the words  
and figures “under the Excise (Special  
Provisions) Act, No. 13 of 1989 in lieu of  
Nation Building Tax under this Act and  
Value Added Tax under the Value  
20 Added Tax Act, No. 14 of 2002, on the  
importation”;

(b) in sub-paragraph (12) thereof, by the  
substitution for the words and figures “under  
Sri Lanka Export Development Act, No. 40  
25 of 1979, on the importation” of the words  
and figures “under the Sri Lanka Export  
Development Act, No. 40 of 1979 in lieu of

Nation Building Tax under this Act and Value Added Tax under the Value Added Tax Act, No. 14 of 2002, on the importation”; and

- 5 (c) in sub-paragraph (13) thereof, by the substitution for the words and figures “under the Sri Lanka Export Development Act, No. 40 of 1979, on the importation” of the words and figures “under the Sri Lanka Export Development Act, No. 40 of 1979 in lieu of  
10 Nation Building Tax under this Act and Value Added Tax under the Value Added Tax Act, No. 14 of 2002, on the importation”;

- 15 (2) in subsection (4) of that section—

- (a) in paragraph (iii) of that subsection—

- (i) in sub-paragraph (b) thereof, by the substitution for the words and figures “but prior to January 1, 2015; and”  
20 of the words and figures “but prior to January 1, 2015;”;

- (ii) in sub-paragraph (c) thereof, by the substitution for the words and figures “on or after January 1, 2015;” of the words and figures “on or after January 1, 2015 but prior to April 1, 2016; and”;  
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- (iii) by the insertion immediately after sub-paragraph (c) thereof, of the following new sub-paragraph:-  
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“(d) the sum of three million rupees if such relevant quarter is any quarter commencing on or after April 1, 2016:

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(d) supply of labour  
(manpower),

and which does not exceed the sum of twenty five million rupees:

5 Provided that, in the case of any person whose liable turnover from any business referred to in sub-paragraphs (a), (c) and (d) for the quarter commencing on April 1, 10 2016 exceeds the sum of three million rupees and does not exceed the sum of twenty five million rupees, such person shall be chargeable with the tax only on the liable turnover accrued on or after 15 May 2, 2016;

(B) on or after April 1, 2016 and the liable turnover of such person from the processing of any locally procured agricultural produce in the preparation for sale and which does not exceed the 20 sum of twenty five million rupees;”.

3. Section 8 of the principal enactment as last amended by Act, No. 32 of 2009 is hereby further amended by the addition immediately after paragraph (d) of that section, of 30 the following new paragraph:-

Amendment of section 8 of the principal enactment.

“(e) no assessment or additional assessment shall be made under this Act in respect of any person-

(i) who has furnished a return for the relevant quarter in the year of assessment on or before 35 the date referred to in paragraph (d) of this

5 section, after the expiry of eighteen months from the thirtieth day of November of the year of assessment immediately succeeding the year of assessment in which such relevant quarter falls, if his return of income has been furnished under subsection (1) or subsection (7) of section 106 of the Inland Revenue Act, No. 10 of 2006; or

10 (ii) who has failed to furnish a return on or before such date as is referred to in paragraph (d) of this section, after the expiry of four years from the thirtieth day of November of the year of assessment immediately succeeding the year of assessment within which such relevant quarter falls.”.

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4. The First Schedule to the principal enactment as last amended by Act, No. 12 of 2015, is hereby further amended as follows:-

Amendment of the First Schedule to the principal enactment.

(1) in PART I of that Schedule-

20 (a) by the substitution for item (xi) thereof, of the following item:-

25 “(xi) petroleum and petroleum products calssified under Harmonized Commodity Description and Coding Numbers for Customs purposes, for any period prior to May 2, 2016;”;

(b) by the substitution for item (xvi) thereof, of the following item:-

30 (xvi) any goods imported or supplied to a specified project, other than any

housing project, as approved by the Minister prior to May 2, 2016, considering economic benefit to the country and carried on, out of foreign funds or donations received by the Government;”;

(c) by the substitution in item (XLVIII) thereof, for the words and figures “under the Excise (Special Provisions) Act, No. 13 of 1989, on the importation” of the words and figures “under the Excise (Special Provisions) Act, No. 13 of 1989 in lieu of Nation Building Tax under this Act and Value Added Tax under the Value Added Tax Act, No. 14 of 2002, on the importation”;

(d) by the substitution in item (XLIX) thereof, for the words and figures “under Sri Lanka Export Development Act, No. 40 of 1979, on the importation” of the words and figures “under the Sri Lanka Export Development Act, No. 40 of 1979 in lieu of Nation Building Tax under this Act and Value Added Tax under the Value Added Tax Act, No. 14 of 2002, on the importation”; and

(e) by the substitution in item (L) thereof, for the words “as the case may be, including” of the words and figures “as the case may be, in lieu of Nation Building Tax under this Act and Value Added Tax under the Value Added Tax Act, No. 14 of 2002, including”;

(2) in Part II of that Schedule-

(a) by the substitution for item (ii) thereof, of the following item:-

(ii) for any period ended prior to May 2, 2016, supply of electricity;”;



(b) by the substitution for item (xxviii) thereof, of the following item:-

5 “(xxviii) for any period ended prior to May 2,  
2016, telecommunication services  
liable to the telecommunication levy  
under the Telecommunication Levy  
Act, No. 21 of 2011, and the services  
specially excluded from such liability  
in defining the telecommunication  
10 services in that Act;”.

5. Where the Commissioner-General of Inland Revenue validation.  
or the Director-General of Customs as the case may be,  
collects under the provisions of section 4 or section 5  
respectively of the principal enactment, the tax calculated  
15 considering the provisions of this Act, during the period  
commencing from January 1, 2016 and ending on the date  
on which the certificate of the Speaker is endorsed in respect  
of this Act from a person to whom the provisions of this Act  
applies, such collection shall be deemed for all purposes to  
20 have been, and to be, validly made:

Provided that the aforesaid provisions of this section shall  
not affect any decision or order made by any Court or any  
proceeding pending in any Court in respect of any tax  
collected during the aforesaid period.

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

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