



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

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**NATION BUILDING TAX (AMENDMENT)**

**A**

**BILL**

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

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*Presented by the Prime Minister and Minister of Buddha Sasana and  
Religious Affairs on 08th March, 2013*

(Published in the Gazette on February 26, 2013)

*Ordered by Parliament to be printed*

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**[Bill No. 220]**

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PRINTED AT THE DEPARTMENT OF GOVERNMENT PRINTING, SRI LANKA  
TO BE PURCHASED AT THE GOVERNMENT PUBLICATIONS BUREAU, COLOMBO 5

**Price : Rs. 8.00**

**Postage : Rs. 5.00**

*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 include excise duty paid on the importation in the calculation of liable turnover;
- (b) to increase the exempted liable turnover from rupees five hundred thousand to a sum of rupees three million rupees; and
- (c) to exempt the liable turnover of any new business of any individual returning from foreign Employment for a period of five years.

*Clause 3* : This clause amends the First Schedule of the principal enactment and the legal effect of the section as amended is—

- (a) to extend the time limit of the exemption granted to articles imported into Sri Lanka; and
- (b) to include new items in Part I of the schedule as excepted articles and to include new items in Part II of the schedule as excepted services.

*Nation Building Tax (Amendment)*

L. D.—O. 7/2013.

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 2013 and shall be deemed to have come into operation from January 1, 2013, unless different dates of operation are specified in the relevant sections.

Short title  
and date of  
operation.

2. Section 3 of the Nation Building Tax Act, No. 9 of 2009 as last amended by Act, No. 9 of 2012 (hereinafter referred to as the “principal enactment”) is hereby further amended as follows :—

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

(1) in subsection (3) of that section by the substitution in paragraph (iii) thereof, for the words, “paid in that quarter,” of the words and figures “paid in that quarter other than such excise duty paid on the importation with effect from February 1, 2009;”, and

(2) in subsection (4) of that section –

(a) by the repeal of paragraph (iii) thereof and the substitution therefor of the following paragraph:—

“(iii) the liable turnover of such person from the supply of any goods or services other than services referred to in paragraph (iv) and which does not exceeds—

(a) the sum of five hundred thousand rupees if such relevant quarter is any quarter commencing on or after January 1, 2011 but prior to January 1, 2013; and

2                    *Nation Building Tax (Amendment)*

(b) the sum of three million rupees if such relevant quarter is any quarter commencing on or after January 1, 2013;”;

5                    (b) by the substitution in paragraph (iv) thereof, for the words “twenty five million rupees.” of the words “twenty five million rupees;” and;

(c) by the addition immediately after paragraph (iv) of the following new paragraph:—

10                    “(v) such quarter is a quarter commencing on or after January 1, 2013 and the liable turnover being turnover of any new business of manufacture of any article or the provision of any service by any individual, for a period of  
15                    five years reckoned from the beginning of the year of assessment in which the commercial operation commences, if such individual:—

(i) return from foreign employment on or after January 1, 2013; and

20                    (ii) invests his earnings to commence such business.”.

**3.** The First Schedule to the principal enactment as last amended by Act, No. 9 of 2012 is hereby further amended as follows:—

Amendment  
of First  
Schedule of  
the principal  
enactment.

25                    (1) In PART I of that schedule:—

(a) by the substitution in item (i) for the word “manufacture”, of the word “manufacturer”;

30                    (b) by the substitution in paragraph (iv) of item (iv) for the words “within a period of one year from the date of importation of such article to Sri

Lanka;”, of the words “within a period of one year from the date of importation of such article to Sri Lanka or within a period of ninety days after the completion of such project;”;

- 5 (c) by the substitution in item (xxxvi) for the words and figures “cess of Rs. 75 per kilogram”, of the words and figures “cess at the rate specified in a *Gazette Notification* issued under the Sri Lanka Export Development Act, No. 40 of 1979”;
- 10 (d) by the substitution in item (xxxviii) for the words “artist thereof.” of the words “artist thereof;”
- (e) by the insertion immediately after item (xxxviii), of the following new items:-
- 15 “(xxxix) solar panel modules, accessories or solar home systems for the generation of solar power energy classified under Harmonized Commodity Description and Coding Numbers for
- 20 custom purposes at the point of importation;
- (xl) coal;
- (xli) articles imported for any international sport event approved by the Minister of Finance;
- 25 (xlii) gems imported subject to special service fee at the rate specified under paragraph (a) of section 6A of the Customs Ordinance (Chapter 235), and any subsequent sale of such
- 30 gems as processed gem;

- 5 (XLIII) any gully bowser, machinery or equipment imported for the use of garbage disposal activities carried out by any local authority, for the purpose of provision of such services to the public as approved by the Secretary to the relevant line Ministry;
- 10 (XLIV) any article manufactured by a company identified as a Strategic Development Project in terms of subsection (4) section 3 of the Strategic Development Project Act, No. 14 of 2008 sold to another
- 15 Strategic Development Projects or to a specialized project approved by the Minister of Finance or to a company registered with Board of Investment of Sri Lanka established under Board of Investment Law, No. 4 of 1978, so
- 20 far as such articles are considered as import replacement and supplied during the project implementation period; and
- 25 (XLV) any machinery or equipment imported for the purpose of generating electricity by the Ceylon Electricity Board establish under the Ceylon Electricity Board Act, No. 17
- 30 of 1969 or any institution which has entered into an agreement with the Ceylon Electricity Board to supply electricity, being machinery or equipment classified under Harmonized Commodity
- 35 Description and Numbers for customs purposes and approved by the Minister of Finance.”.

(2) In PART II of that schedule

(a) By the substitution in item (xxvi) for the words  
“port or airline”, of the words “port or airport”;  
and

5 (b) By the addition immediately after the item  
(xxxiv) of the following new items:-

10 “(xxxv) any service provided by the Central  
Bank of Sri Lanka established  
under the Monetary Law Act  
(Chapter 422); and

15 (xxxvi) any service provided free of charge  
by any public corporation out of the  
funds voted by Parliament from the  
Consolidated Fund or out of any loan  
arranged through the Government,  
on behalf of the Government.”

20 **4.** Where the Commissioner-General of Inland Revenue 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 considering the provisions of this Act, during the period commencing on January 1, 2013 and ending on the date of the coming in to operation of this Act from a person to whom the provisions of this Act applies, such collection shall be,  
25 deemed for all purposes to have been, and to be validly made and, the Commissioner-General of Inland Revenue and the Director-General of Customs.

Indemnity.

**5.** 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.

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