

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

Part II of February 25, 2011

SUPPLEMENT

(Issued on 28. 02. 2011)



ECONOMIC SERVICE CHARGE (AMENDMENT)

A

BILL

to amend the Economic Service Charge Act, No. 13 of 2006

Ordered to be published by the Minister of Finance and Planning

PRINTED AT THE DEPARTMENT OF GOVERNMENT PRINTING, SRI LANKA

TO BE PURCHASED AT THE GOVERNMENT PUBLICATIONS BUREAU, COLOMBO 5

Price : Rs. 6.00

Postage : Rs. 5.00

Economic Service Charge (Amendment)

L.D.—O. 11/2011.

AN ACT TO AMEND THE ECONOMIC SERVICE CHARGE
ACT, NO. 13 OF 2006

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

1. This Act may be cited as the Economic Service Charge (Amendment) Act, No. of 2011. Short title
and date of
operation.

5 **2.** The Economic Service Charge Act, No. 13 of 2006 (hereinafter referred to as the “principal enactment”) is hereby amended in section 2, by the substitution for paragraph (a) and (b) of subsection (2) thereof, of the following:— Amendment
of section 2
of the
Economic
Service
Charge Act,
No. 13 of
2006.

10 “(a) commencing before March 31, 2007, does not exceed ten million;

 (b) commencing on or after April 1, 2007, but before April 1, 2011, does not exceed rupees seven million five hundred thousand;

15 (c) commencing on or after April 1, 2011, does not exceed rupees twenty-five million.”.

3. Section 7 of the principal enactment is hereby amended as follows :— Amendment
of section 7
of the
principal
enactment.

 “(1) by the re-numbering of that section as subsection (1) thereof;

20 (2) in the re-numbered subsection (1), by the substitution for the words “for any relevant quarter shall,” of the words and figures “for any relevant quarter ending on or before March 31, 2011 shall,”; and

- (3) by the addition immediately after the re-numbered subsection (1) of the following new subsection:—

5 “(2) Every person and partnership chargeable with the service charge for any relevant quarter commencing on or after April 1, 2011 shall, whether or not requested by an Assessor to do so, furnish to an Assessor, on or before the twentieth day of April of each year, a return for the year of assessment ending on March 31 of that year, in
10 such form and containing such particulars as may be specified by the Commissioner-General, of the relevant turnover of such person or partnership, as the case may be. The return shall also indicate the basis of the calculation of the service charge
15 and other details, if any, specified by the Commissioner-General in relation to this section.”.

4. Section 13 of the principal enactment is hereby amended by the substitution for the definition of the
20 expression “person” of the following definition :—

Amendment of section 13 of the principal enactment.

“person” includes a company or body of persons, but does not include—

- (a) any registered society, within the meaning of the Co-operative Societies Law, No. 5 of 1972 or under the respective Statute enacted by a Provincial Council providing for such registration;
25
(b) any person carrying on business as an owner or charterer of an aircraft or ship;
(c) any government institution or local authority as defined in the Inland Revenue Act, No. 10 of 2006;
30
(d) any distributor;

(e) any dealer in a lottery;

(f) any Unit Trust or Mutual Fund.”.

5 **5.** The Schedule to the principal enactment is hereby amended by the substitution for the word “Schedule” of the following:—

Replacement
of the
Schedule to
the principal
enactment.

“SCHEDULE I

For the period ending on March 31, 2011”; and

10 **6.** The following new Schedule is hereby inserted immediately after Schedule I of the principal enactment and shall have effect as Schedule II of that enactment:—

Insertion of
the new
Schedule to
the principal
enactment.

“SCHEDULE II (Section 2)	
For the period commencing on April 1, 2011	
PART OF THE LIABLE TURNOVER	RATE OF THE SERVICE CHARGE APPLICABLE TO THAT PART
1. Enterprises to which the Board of Investment of Sri Lanka Law, No. 4 of 1978 is applicable (liable to pay income tax)—	0.1 <i>percentum</i>
(a) Apparel exporters;	
(b) Board of Investment houses;	
(c) Manufacturers of textiles for apparel exporters.	
2. Persons granted Exemptions/Concessionary Rates/Others	0.25 <i>percentum</i>
(a) who are exempt from income tax (including tax holiday companies);	
(b) who during certain periods are incurring losses;	
(c) who are subject to tax under concessionary rates;	

5	(d) who are engaged in wholesale or retail trade other than products manufactured or produced by the seller (excepting distributors or dealers in motor vehicles or liquor);	0.25 <i>percentum</i>
10	(e) who carry out primary conversion of any tea, rubber or coconut plantation including desiccated coconut, coconut oil or fiber, copra and sheet rubber, but excluding any conversion which produces any alcoholic beverage.	
15	3. Advertising Agents— (a) prior to April 1, 2011 (b) on or after April 1, 2011	1.0 <i>percentum</i> 0.25 <i>percentum</i>
20	4. any other businesses of which the turnover is defined by Notice published in the <i>Gazette</i> . (including dealers in motor vehicles, liquor, tobacco and petroleum)	1.0 <i>percentum</i>

25 7. Where any enterprise on buy any person or prtnership with an annual turnover of not more than rupees million has not paid for any year of assessment ending on or before December 31, 2010, tax under this Act, due to conflict environment and financial constraints of such person or partnership with a current annual turnover below rupees one hundred million, with an assurance of the compliance with the applicable tax laws thereafter. For these purposes, taxpayers shall be required to obtain a Certificate from the Department of Inland Revenue for future compliance.

Exemption from tax payable by certain small and medium enterprises.

8. In the event of an inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text to prevail.

In case of an inconsistence the Sinhala text to prevail .

Annual subscription of English Bills and Acts of the Parliament Rs. 885 (Local), Rs. 1,180 (Foreign), Payable to the SUPERINTENDENT, GOVERNMENT PUBLICATIONS BUREAU, DEPARTMENT OF GOVERNMENT INFORMATION, No. 163, KIRULAPONA MAWATHA, POLHENGODA, COLOMBO 05 before 15th December each year in respect of the year following.