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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 1706/18 - 2011 මැයි 20 වැනි සිකුරාදා - 2011.05.20

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PART I : SECTION (I) — GENERAL

Government Notifications

INLAND REVENUE ACT, No. 10 OF 2006

Order under Section 4(2)

I, Kande Mohottalalage Sunil Kandegedara, Commissioner General of Inland Revenue, do by this order [under the proviso to Sub-section (2) of Section 4 of the Inland Revenue Act, No. 10 of 2006], specify the value to be placed on any benefit set out in the Schedule hereto, with effect from 1st April, 2011, notwithstanding any other value already determined for any such benefit for the purpose of that Section, but subject to any exemption provided under the said Inland Revenue Act (as last amended by Act, No. 22 of 2011).

S. KANDEGEDARA,
Commissioner General of Inland Revenue.

Department of Inland Revenue,
Colombo 02,
May 13, 2011.

SCHEDULE

1. *Value of Company shares awarded by Employer*

“Value” of any benefit accruing to any employee of an employer, from the allotment of any share or awarding an option to acquire any share, to such employee or his nominee, by or on behalf of such employer, means : the excess, if any, of the market value of such share at the time of its allotment (made directly or on exercising an option), or of proceeds from the sale of option, over the price charged by the employer for such allotment or award, as the case may be.

2. *Value of benefits from any residence provided by the Employer*

(a) The “Rental value” for the purpose of Section 4(1)(d), of any place of residence provided by the employer in the respective situations (in relation to which the basis of valuation is not specified in that section), should be ascertained as follows :—

- (i) where such place of residence is situated in an unrated area, the rental value shall be 10% of the gross remuneration or Rs.3,000 per month; whichever is low.
- (ii) where such place is an Estate Bungalow, the rental value shall be 7.5% of the gross remuneration or Rs. 2,000 per month; whichever is low.

(b) If the place of residence is furnished, 2.5% of the gross remuneration or Rs. 1,500 per month, whichever is low, should be added to the benefit determined as above.

(c) In any case, where the employer reimburses any expense connected with a house or apartment occupied by the employee, the value of such benefit shall be the actual expense reimbursed by the employer.

3. *Value of Transport Facilities provided by the Employer*

(a) The value of the benefit to an employee from the (fully or partly) private use of any motor vehicle, of which the engine capacity is 1500cc or more –

- (i) provided by the employer with the driver and fuel on such employer's account, shall be deemed to be Rupees Fifty Thousand per month;
- (ii) provided by the employer with fuel on such employer's account, but without the driver, shall be deemed to be Rupees Thirty Five Thousand per month;
- (iii) provided by the employer with the driver on such employer's account, but without fuel, shall be deemed to be Rupees Thirty Thousand per month;
- (iv) provided by the employer without the driver and fuel, shall be deemed to be Rupees Fifteen Thousand per month.

(b) The value of the benefit to an employee from the (fully or partly) private use of any motor vehicle, of which the engine capacity is below 1500cc, –

- (i) provided by the employer with the driver and fuel on such employer's account, shall be deemed to be Rupees Thirty Five Thousand per month;
- (ii) provided by the employer with fuel on such employer's account, but without the driver, shall be deemed to be Rupees Twenty Five Thousand per month.
- (iii) provided by the employer with the driver on such employer's account, but without fuel, shall be deemed to be Rupees Twenty Thousand per month.
- (iv) provided by the employer without the driver and fuel, shall be deemed to be Rupees Ten Thousand per month.

(c) The value of the benefit to an employee from the (fully or partly) private use of any motor bicycle –

- (i) provided by the employer with fuel on such employer's account, shall be deemed to be Rupees Five Thousand per month, (irrespective of its engine capacity);
- (ii) provided by the employer without fuel, shall be deemed to be Rupees Three Thousand per month, (irrespective of its engine capacity);

(d) The value of the benefit from private use of –

- (i) any motor vehicle provided by the employer where accurate record of such usage is maintained by such employer, shall be deemed to be Fifteen Rupees per kilometer, (irrespective of the engine capacity of the vehicle);
- (ii) any motor bicycle provided by the employer where accurate record of such usage is maintained by such employer, shall be deemed to be Three Rupees per kilometer.

(e) Where the employer incurs or reimburses any expense in respect of fuel or maintenance of any motor vehicle or motor bicycle owned by the employee, the value of benefit to the employee shall be the actual expenses incurred or reimbursed by the employer.

4. *Other Benefits provided by the Employer*

<i>Nature of benefit</i>	<i>Value of Benefit</i>
1 Provision of Hotel Facilities for expatriates	25% of the cost for first 3 months from the date of arrival in Sri Lanka and 100% of the cost, thereafter.
2 Provision of servants etc.	100% of the cost
3 Provision of Electricity and Gas etc.	100% of the cost
4 Provision of Medical Benefits	
(i) Where a block contribution of premia under a medical insurance policy for employees, is made by the employer.	100% of the medical bills reimbursed to the Employee. (The liability arises at the time of reimbursement)
(ii) Where the contribution under any medical insurance policy in respect of any employee is separately made by the employer.	100% of such contribution
(iii) Where the medical bills are paid or reimbursed by the employer.	100% of such medical bills
5 Provision of free meals.	100% of the cost
6 Payment of life insurance premia	100% of the cost
7 Payment of telephone bills and annual charges (in respect of phones used for private purposes)	50% of the cost
8 Air tickets (other than those provided to employees of Sri Lankan Air Lines or Mihin Lanka Air Lines)	100% of the cost
9 Payment of tax.	Amount of tax paid (see Tex Table No.6)