

PARLIAMENT OF THE DEMOCRATIC

SOCIALIST REPUBLIC OF

SRI LANKA

ECONOMIC SERVICE CHARGE

(AMENDMENT) ACT, No. 11 OF 2012

[Certified on 30th March, 2012]

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Economic Service Charge (Amendment) 1

Act No. 11 of 2012

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L.D.—O. 6/2012

ANACT 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 Short title.

Charge (Amendment) Act, No. 11 of 2012.

2. Section 2 of the Economic Service Charge Act, Amendment of

No. 13 of 2006 (hereinafter referred to as the “principal section 2 of Act,

No. 13 of 2006.

enactment”) is hereby amended as follows:-

(1) in subsection (1) of that section, by the substitution

for the words and figures “Schedule I or Schedule II

as the case may be” of the words and figures

“Schedule I, Schedule II or Schedule III as the case

may be”;

(2) in subsection (2) of that section, by the repeal of

paragraph (c) thereof, and the substitution therefor

of the following new paragraphs -

“(c) commencing on or after April 1, 2011, but

before April 1, 2012, does not exceed rupees

twenty-five million;

(d) commencing on or after April 1, 2012, does

not exceed rupees fifty million.”; and

(3) in subsection (3) of that section-

(a) in paragraph (a) by the substitution for the

words “whether directly or through an agent

or more than one agent:” of the following:-

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“whether directly or through an agent or more

than one agent:

Provided that, in relation to any relevant

quarter commencing on or after April 1, 2012,

where such part of the taxable income as

consists of profits from any trade, business,

profession or vocation assessed under the

provisions of Inland Revenue Act, No. 10 of

2006 for the year of assessment which ended

immediately prior to the commencement of

the year of assessment to which such quarter

belongs, is more than zero, the relevant

turnover for such quarter shall be deemed to

be zero.”;

(b) in paragraph (b)-

(i) in item (viii) of sub-paragraph (a) of

that paragraph, by the substitution for

the words “Tourism Act, No. 38 of

2005; and” of the words “Tourism Act,

No. 38 of 2005;” and

(ii) by the addition, immediately after item

(viii) of sub-paragraph (a) of that

paragraph, of the following new item:—

“(ix) proceeds from the sale of any clay

roof tile or pottery product by any

manufacturer of such product;

and”.

Replacement of 3. Schedule II to the principal enactment is hereby

Schedule II to repealed and the following Schedule is substituted therefor:-

the principal

enactment.

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“Schedule II (Section 2)

For the period commencing on April 1, 2011 ending on March

31, 2012

Part of the Liable Turnover Rate of the Service Charge

Applicable to that Part

1.(a) of BOI apparel exporters

(b) of BOI trading houses

0.1%

(c) of BOI textile manufacturers

for supplying to exporters

2.(a) the profits from which are exempt

from income tax.

(b) tax at concessionary rates.

(c) a loss.

(d) of persons engaged in whole sale

or retail sale (other than sale by

manufacturers, distributors as

defined in the ESC Act, and Dealers 0.25%

in Motor vehicles, liquor or tobacco

products).

(e) from primary conversion of tea,

rubber or coconuts including

desiccated coconuts, coconut oil,

coconut fiber, copra and sheet

rubber (excluding alcoholic

beverages).

(f) of advertising agents.

3. of any other business including-

(a) dealers in motor vehicles, liquor or

tobacco products. 1%”

(b) businesses opted to follow the

respective definition of turnover as

defined by Gazette Notification

(notwithstanding the threshold)

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Insertion of 4. The following new Schedule is hereby inserted

Schedule III in immediately after Schedule II of the principal enactment

the principal

and shall have effect as Schedule III of that enactment:-

enactment.

“Schedule III (Section 2)

For the period commencing on April 1, 2012

On the liable turnover 0.25 per centum.”.

Retrospective 5. Schedule II of the principal enactment as replaced by

effect. section 3 of this Act shall for all purposes be deemed to have

come into operation on April 1, 2011.

Sinhala text to 6. In the event of inconsistency between the Sinhala

prevail in the and Tamil texts of this Act, the Sinhala text shall prevail.

case of

inconsistency.

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