PARLIAMENT OF THE DEMOCRATIC

SOCIALIST REPUBLIC OF

SRI LANKA

NATION BUILDING TAX (AMENDMENT)

ACT, No. 11 OF 2013

[Certified on 23rd April, 2013]

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Nation Building Tax (Amendment) 1

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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 Short title and

(Amendment) Act, No. 11 of 2013 and shall be deemed to date of

operation.

have come into operation from January 1, 2013, unless

different dates of operation are specified in the relevant

sections.

2. Section 3 of the Nation Building Tax Act, No. 9 of Amendment of

2009 as last amended by Act, No. 9 of 2012 (hereinafter section 3 of Act,

No. 9 of 2009.

referred to as the “principal enactment”) is hereby further

amended as follows :—

(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

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(b) the sum of three million rupees if

such relevant quarter is any

quarter commencing on or after

January 1, 2013;”;

(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:—

“(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 other than liquor or

tobacco, or the provision of any service by any

individual who is a citizen of Sri Lanka for a

period of 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

(ii) invests his foreign earnings to

commence such business.”.

Amendment of 3. The First Schedule to the principal enactment as last

First Schedule of amended by Act, No. 9 of 2012 is hereby further amended as

the principal

follows:—

enactment.

(1) In PART I of that schedule:—

(a) by the substitution in item (i) for the word

“manufacture”, of the word “manufacturer”;

(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

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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;”;

(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”;

(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:-

“(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

custom purposes at the point of

importation;

(XL) coal;

(XLI) articles imported for any

international event approved by the

Minister of Finance;

(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

gems as processed gem;

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(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;

(XLIV) any article manufactured by a

company identified as a Strategic

Development Project in terms of

subsection (4) of section 3 of the

Strategic Development Project Act,

No. 14 of 2008 sold to another

Strategic Development Project 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

far as such articles are considered as

import replacement and supplied

during the project implementation

period; and

(XLV) any machinery or equipment

imported for the purpose of

generating electricity by the Ceylon

Electricity Board established under

the Ceylon Electricity Board Act, No.

17 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

Description Coding Numbers for

customs purposes and approved by

the Minister of Finance.”.

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(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

( b) by the addition immediately after the item

(xxxiv) of the following new items:-

“(xxxv) any service provided by the Central

Bank of Sri Lanka established

under the Monetary Law Act

(Chapter 422); and

(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.”.

4. 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

considering the provisions of this Act, during the period

commencing from January 1, 2013 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

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

proceedings pending in any Court in respect of any tax

collected during the aforesaid period.

5. In the event of any inconsistency between the Sinhala Sinhala text to

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

inconsistency.

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