

NOTICE TO GENERAL PUBLIC



INLAND REVENUE DEPARTMENT

ECONOMIC SERVICE CHARGE (ESC)

NOTICE TO PERSONS WHO ARE LIABLE FOR ESC

Several changes have been made to ESC through ESC (Amendment) Act No. 15 of 2017.

• Persons who are liable for ESC

- I. Every person or partnership who/which is carrying on or carrying out a trade, business, profession or vocation - **whether liable to pay Income Tax or not**, is required to pay ESC with effect from 01st April 2016.
- II. **Exempted Entities** – The below mentioned entities are not liable for ESC.
 - a) Cooperative Societies,
 - b) Non Resident Aviation and Shipping Companies,
 - c) Local Government bodies and Government Departments,
 - d) Any Distributor,
 - e) Any Dealer in Lottery,
 - f) Any Unit Trust or Mutual Funds.

• Base and Threshold

- I. Every person or partnership should register for ESC if the liable turnover of a quarter is;
 - a) **Rs. 50 million or more** during the period from **01. 04. 2011 to 01. 04. 2017**, and
 - b) **Rs. 12.5 million** for any quarter commencing **on or after 01. 04. 2017**.
- II. ESC Liability of Filling Stations
 - Turnover from sale of petrol, diesel or kerosene of any filling station is liable for ESC **with effect from 01. 04. 2016**.
 - The aggregate liable turnover of a filling station for any quarter is;
 - **Rs. 50 million or more** during the period from **01. 04. 2016 to 31. 03. 2017**, and
 - **Rs. 12.5 million** for any period commencing **on or after 01. 04. 2017**
 - The liable turnover of a filling station would be 1/10th of the relevant turnover of, petrol, diesel or kerosene and on whole amount of turnover from other products (Lubricants etc) and service charge, if any.
 - Effective ESC Rate
ESC rate was increased from **0.25% to 0.5%** with effect from **01st April 2016**.

It is observed that still some of the entities which become liable to pay ESC by the due to the changes of lowering the threshold for Rs. 50 Million to Rs. 12.5 Million, and of encompassing all entities irrespective of their liability to pay Income Tax have not paid their quarterly payments.

Therefore those who are liable but not yet paid the ESC, are required to take the necessary steps to pay the quarterly ESC payments with the arrears on or before 22nd December 2017.

No any concession whatsoever would be given to those who do not comply with this notice.

For any further clarification, please contact IRD Call Centre by Dialing 1944.

Inland Revenue Web Portal : www.ird.gov.lk

PLEASE MAKE PAYMENTS IN TIME

Commissioner General of Inland Revenue



TAXES - FOR A BETTER FUTURE