



INLAND REVENUE DEPARTMENT

Implementation of Changes to Nation Building Tax (NBT) as passed in Parliament on 18th July 2018

Nation Building Tax Act, No. 9 of 2009 is amended as per the Bill to amend the Act and subsequent Committee Stage amendments as passed in Parliament on 18th July 2018. The changes are effective from the date of certification by the Hon. Speaker (unless a specific date is mentioned).

According to the Bill passed in Parliament together with the Committee Stage amendments, the significant changes are as follows.

i. Removal of Exemption

- The present exemption applicable on sale of liquor by the importer himself is removed and **made liable with effect from April, 01 2018;**
- The present exemption applicable on the **imports of liquor** and the turnover from the **business of manufacture of liquor** is removed and **made liable to NBT;**
- Supply of electricity is made liable for the period commencing from November 1, 2016 but prior to April, 1 2017. With effect from April, 1 2017, supply of electricity is liable for the supply by Ceylon Electricity Board only.

ii. New Exemptions

- a. locally manufactured coconut milk, coconut oil, poonac, pairing, coconut shells or coconut water at the point of sale by the manufacturer, for a period of three years commencing from April, 1 2018;
- b. services by a construction contractor if such service is provided under a contract agreement executed prior to August, 1 2017;
- c. importation of non-motorized equipment and accessories for water sports including Kayaks, Canoes, Kite Surfing, and diving;
- d. non-powered equipment and accessories for aero including hang gliding, ballooning, dirigibles, parachuting and para-gliding, classified under Harmonized Commodity Description and Coding Numbers for customs purposes at the point of importation;
- e. Importation of gem stones for purpose of re-export upon being cut and polished;
- f. Importation of equipment for greenhouses and poly tunnels and materials for the construction of greenhouses by any grower of agricultural products or plants of any type, subject to the condition that such items are not manufactured in Sri Lanka and are approved by the Director General, Department of Fiscal Policy on the recommendation of the Secretary to the Ministry of the Ministry assigned the subject of Agriculture;
- g. Any service provided by Sri Lanka Deposit Insurance Scheme established by regulations made under the Monetary Law Act, (Chapter 422), with effect from April, 1 2018.

Commissioner General of Inland Revenue



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