

TAX TABLE NO: 01

Monthly Tax Deductions from Regular Profits from Employment

(Applicable for all resident and non-resident but citizen employees who have furnished primary declarations to their employers and resident and non-resident but citizen employees have one employment)

01. Tax Table No: 01 should be applied to deduct tax from regular profits from employment payable to every employee who is resident or non-resident but citizen, during a calendar month. **Tax deduction should be compulsorily made regardless of his consent.**
02. Regular profits from employment include:
 - i. Wages, salary, commission, overtime pay, travelling allowance, and other allowances, fees, pension or such other profits from employment that arise in any pay period,
 - ii. Payment on housing, conveyance, electricity, telephone bills and entertainment etc.,
 - iii. Payment on medical bills and insurance policies (other than discharge or reimbursement of the person's dental, medical or health insurance expenses where the benefit is available to all full-time employees on equal terms),
 - iv. Payments or transfers to another person for the benefit of the individual or an associate person of the individual;
03. In preparing this Tax Table, Rs. 100,000.00 per month as **personal relief** has already been deducted. Hence, tax deductions should be made from the profits from employment applying Tax Tables without deducting any sum from such profits from employment.
04. With regard to any employee whose monthly total regular profits from employment (total of employment income described in paragraph 02 above) is less than Rs. 100,000.00, but cumulative profits up to any month during the second three-month period of the Y/A 2022/2023 exceeds Rs. 300,000.00, then tax deductions should be made commencing from that month applying Tax Table No: 05.
05. In the case where an employee enters in to employment or retires during the year of assessment (earned regular profits from employment for a period less than 3 months) to deduct his/her tax, Tax Table No. 05 should be applied.
06. If any employee is paid salary arrears for a reason such as service suspension, then to deduct tax from such salary arrears, Tax Table No. 02 should be applied, unless a direction is issued by the Commissioner General or any officer authorized by him.
07. Other than the exempt amounts given in the Third Schedule of the Inland Revenue Act, No. 24 of 2017, no exemptions are available for employment income with effect from 01 April 2018.

Note: For deduction of tax on Lump-sum Payments, Tax Table No: 02 should be applied. For deduction of tax on Once-and-for-all Payments, Tax Table No: 03 should be applied.

Summarized Tax Table - Regular Profits from Employment

Monthly regular profits from employment (Taxable)	Tax
1. Monthly regular profits from employment up to Rs. 100,000/-	- Relief from Tax
2. Monthly regular profits from employment exceeding Rs. 100,000/- but not exceeding Rs. 141,667/-	- 6% of monthly regular profits from employment less Rs. 6,000/-
3. Monthly regular profits from employment exceeding Rs. 141,667/- but not exceeding Rs. 183,333/-	- 12% of monthly regular profits from employment less Rs. 14,500/-
4. Monthly regular profits from employment exceeding Rs. 183,333/- but not exceeding Rs. 225,000/-	- 18% of monthly regular profits from employment less Rs. 25,500/-
5. Monthly regular profits from employment exceeding Rs. 225,000/- but not exceeding Rs. 266,667/-	- 24% of monthly regular profits from employment less Rs. 39,000/-
6. Monthly regular profits from employment exceeding Rs. 266,667/- but not exceeding Rs. 308,333/-	- 30% of monthly regular profits from employment less Rs. 55,000/-
7. Monthly regular profits from employment exceeding Rs. 308,333/-	- 36% of monthly regular profits from employment less Rs. 73,500/-

