

Tax Table No. 07
Rates for the deduction of Tax from the Second Employment

Rates for the deduction of tax from the gains and profits from employment of any employee who has not furnished the primary employment declaration, or in respect of gains and profits from employment of any employee employed under more than one employer.

01. Resident Employee

If the employee is a resident in terms of the provisions of the Inland Revenue Act, and consent is granted to the employer by a declaration to deduct tax on such profits, the tax should be deducted **at appropriate rate given in Table 7.1** which depends on the income from primary employment. Please apply the rate to corresponding income of primary employment as the employee stated in his declaration.

Table 7.1- Rates for Deduction of Tax from Second Employment - Residents

Monthly Remunerations from Primary Employment (Rs.)	Amount on which Monthly Tax is Deductible	Tax Rate on Remunerations from Second Employment
up to - 250,000	On the total remunerations from second employment	6%
250,001 - 500,000	On the total remunerations from second employment	12%
500,001 - And above	On the total remunerations from second employment	18%

Example:

Mr. Perera is a resident employee of a private Company X, and his regular monthly profits (remuneration) from employment (including non-cash benefits) is Rs 500,000. Further, He gets a monthly fixed payment of Rs. 100,000 from Company Y as his second employment.

*Tax liability on the **second employment** should be computed as follows:*

As his Income from Primary employment Rs. 500,000 falls under income range of Rs. 250,000 – 500,000, the applicable tax rate on second employment is 12%.

Then, the tax deductible is, Rs. 100,000 X 12% = 12,000

02. Non-Resident Employee

If the employee is a non-resident in terms of the provisions of the Inland Revenue Act (whether he is a citizen in Sri Lanka or not), **regardless of the consent of the employee, the tax should be deducted, compulsorily** by the employer at the rate given in table 7.2, unless otherwise a direction has been issued by the Commissioner General or any officer authorized by him (The Secretariat).

Table 7.2 - Rate for Deduction of Tax from Second Employment – Non-residents

Monthly Remunerations from Second Employment (Rs.)	Tax Rate
On the total remunerations from second employment	18%