



**INSTRUCTIONS FOR COMPLETION THE STATEMENT OF ESTIMATED TAX
PAYABLE AND PAYMENT OF QUARTERLY INSTALMENTS
YEAR OF ASSESSMENT 2024/2025**

In terms of Sections 90 and 91 of the Inland Revenue Act, No. 24 of 2017 and as amended by Amendment Act, No. 10 of 2021, Amendment Act, No 45 of 2022, a person who is an “instalment payer” shall pay income tax on the **estimated taxable income** as computed in the **Statement of Estimated Tax Payable**, by quarterly instalments on the 15th of August, 15th of November and 15th of February in that year of assessment and the 15th of May of the next succeeding year of assessment and is required to submit the **Statement of Estimated Tax Payable** by the date for payment of the first tax instalment i.e. 15th August 2024.

It is strongly advised to read this set of instructions before completing the Form for **Statement of Estimated Tax Payable (SET)**.

This sets of instructions consist of;

- General Instructions
- Instructions to Complete the SET and
- Calculation of Quarterly Installments of income tax payable

1. GENERAL INSTRUCTIONS

The SET consists of three parts, PART I, II and PART III. All instalment payers should complete all three PARTS of the SET.

1.1 Issuance and Submission

• **Issuance**

In terms of Section 113 (1) of the Inland Revenue Act No 24 of 2017, and as amended by the Inland Revenue (Amendment) Act No 10 of 2021 & No 4 of 2023, e-filing of tax returns (electronically filling returns) is mandatory for all persons who file the Income Tax returns.

Arrangements have been made for E- Filling via IRD web portal. Please refer the guidelines issued by IRD in the web portal www.ird.gov.lk for further information. Therefore all such taxpayers are encouraged to use online platforms to E-file the SET form for Y/A 2024/2025.

SET will be issued by the Commissioner General of Inland Revenue to persons who are chargeable with income tax. Those who have not received the SET (Individuals whose estimated assessable income exceeds more than Rs. 1,200,000 for the Year of Assessment 2024/2025) shall make a request to

obtain a SET from the Customer Supporting and Promotion Unit at the IRD Head Office or from any Regional Office.

- **Submission**

All such taxpayers are encouraged to use online platforms to E-file the SET form for Y/A 2024/2025. Duly completed SET could be hand delivered or sent through **registered post** to the **Central Document Management Unit (CDMU) at the Head Office of the Inland Revenue Department (IRD)**, Sir Chittampalam A Gardiner Mawatha, Colombo 02 or to **any Regional Office**.

1.2 Payment of Estimated Tax

- **Payment Due Dates and period codes**

The estimated tax shall be paid in quarterly instalments by the following dates using following period codes

Tax Instalment	Due Date of payment	Payment Period Code
First Instalment	15 th August 2024	24251
Second Instalment	15 th November 2024	24252
Third Instalment	15 th February 2025	24253
Fourth Instalment	15 th May 2025	24254

- **Payment of Tax**

The payments of quarterly instalments of tax should be made using paying-in-slips issued by the IRD and posted to the taxpayers. The Paying -in-slips can also be collected from Customer Supporting & Promotion Unit at the IRD Head Office, all Regional Offices and from any branch of the Bank of Ceylon.

In addition, payment can be made through Online Tax Payments Platform (OTPP). For further details, please refer to Public Notice Number PN/PMT/2021 dated 08.06.2021 (Revised) dated May 17, 2022 PN/PMT/2022 .01 or log into IRD's web portal for the user guide (*e-Services/Overview and Quick Guides/Payments and Refunds*).

As per the extraordinary Gazette Notification No 2378/33 dated April 4, 2024 Published under section 145 (3) of Inland Revenue Act No 24 of 2017. Tax Payment shall be made to the commissioner General only by the use of following methods –

- a) By deposit cash:
- b) By deposit pay order or bank draft:
- c) By the use of online tax payments platform (OTPP)

- **Bank to which the payments should be made**

To any branch of the Bank of Ceylon.

2. INSTRUCTIONS TO COMPLETE THE SET - 2024/2025

Mark “✓” at the relevant cage to indicate whether the Statement is the Original Statement, or Revised Statement. The first SET furnished by a person for a year of assessment is treated as “Original Estimate”. Original estimate shall remain in force for the whole year of assessment unless a revised estimate is submitted by the taxpayer.

If the estimated tax payable is varied from the original SET, a revised SET could be submitted and subsequent instalment payments should be made accordingly. Further, in the event of submitting a revised estimate, it is important to mark “✓” in the cage of, “Revised Statement” of the SET.

Also indicate the Income tax type. Persons other than Individuals and Partnerships should mark the cage of Corporate Income Tax.

(Please mark “✓” at the relevant cage)

STATEMENT TYPE:	Original Statement	<input type="checkbox"/>	Revised Statement	<input type="checkbox"/>
INCOME TAX TYPE:	Corporate Income Tax	<input type="checkbox"/>	Individual Income Tax	<input type="checkbox"/>
	Partnership	<input type="checkbox"/>		

2.1 PARTS – I and II : CALCULATION OF ESTIMATED TAX PAYABLE

I. Local Income

The amounts of **estimated income** from each source of income should be declared in cages (10), (20), (30) and (40) of the SET.

II. Foreign Income

The aggregate amount of estimated foreign source of income from employment, business, investment or other source of income should be declared in cage 40A of the SET.

III. Cage 50 - Estimated Assessable Income. (Aggregation of all local estimated income with all foreign estimated income)

- a) Total estimated income from employment, business, investment (other than the gain from realization of investment assets) or other income source would be the total Local estimated assessable income of a person.

Enter total of all income enumerated under cages 10 to 40 & 40A into the cage 50.

- b) When calculating estimated assessable income, final withholding payments and exempt amounts should not be included.

IV. Cage 60 – Estimated Qualifying Payments

Enter all estimated qualifying payments to be made during the year (subject to following restrictions).

- Donations to Approved Charitable Institution

Type of donor	Maximum amount deductible as qualifying payment
Individual	(a) 1/3 of the taxable income of the individual for that year of assessment; or (b) Rs. 75,000 whichever is lower
Entity	(a) 1/5 of the taxable income of the entity for that year of assessment; or (b) Rs. 500,000 whichever is lower

- Donations to Government or other specified institutions
- Any sum paid to the Consolidated Fund or President's fund
- Contribution made by a resident individual to establish a shop for a female individual who is from Samurdhi beneficiary family
- Expenditure incurred by any financial institution by way of cost of acquisition, partial acquisition, absorption of business or merger of, any other bank licensed under the Banking Act, No. 30 of 1988, finance company licensed under the Finance Business Act, No. 42 of 2011 or

finance leasing company registered in terms of paragraph (c) of section 3 of the Finance Leasing Act, No. 56 of 2000 where such cost is ascertained by considering all the facts on case-by-case basis and as confirmed by the Central Bank of Sri Lanka. Deduction is restricted to one third of the approved amount as confirmed by the Central Bank of Sri Lanka.

- Expenditure incurred by any person
 - in the production of a film at a cost not less than five million rupees
 - in the construction and equipping of a new cinema at a cost of not exceeding twenty-five million rupees
 - in the upgrading of a cinema at a cost of not exceeding ten million Rupees

The deduction of this expenditure is restricted one third of the taxable income.

V. Cage 70 – Estimated Reliefs

Enter Estimated Reliefs that you are entitled for the year of assessment (subject to following restrictions).

- Personal Relief

Resident individuals or citizen individuals are entitled to a personal relief of Rs. 1,200,000 for each year of assessment. However, this relief does not apply to an individual in his capacity as a trustee, receiver, executor or liquidator. The relief may be deducted from the Assessable income of an individual except to the extent that the Assessable income comprises gains from the realization of investment assets.

- Rent Relief

Resident individuals are entitled to deduct 25% of the total rental income from an investment asset for the year of assessment unless it is intended to be claimed for any actual expenditures incurred by the taxpayer for the repair, maintenance, and depreciation of the investment asset.

- Other Relief

Resident individuals who have acquired solar panels to fix on their premises and connected to the national grid are entitled to deduct Rs. 600,000 for each year of assessment, up to the total expenditure made on such solar panels or up to the amounts paid to a bank in respect of any loan obtained to acquire such solar panels.

VI. Cage 80 – Estimated Taxable Income

Deduct total of deductions in cage 60 and 70 from Estimated Assessable income in cage 50 to get at the Estimated Taxable Income.

VII. Cage 90 – Estimated Tax Liability

Estimated tax liability should be computed by applying the different income tax rates. Accordingly, fill the Part II of the SET first and enter the value in cage 90.10 to the cage 90.

The following income tax rates are applicable on following persons.

a) Individuals

Standard rates

Taxable Income Range (Rs)	Tax on Taxable Income equal to the lowest of the range	Tax rate on the excess taxable income over the lowest of the range
First 500,000	30,000	6 %
Next 500,000	60,000	12 %
Next 500,000	90,000	18 %
Next 500,000	120,000	24 %
Next 500,000	150,000	30 %
Balance	-	36 %

Special Rates

- on gains and profits from manufacture and sale or import and sale of any liquor or tobacco products - 40%
- on gains and profits from conducting betting and gaming - 40%

b) Companies

- (i.) On gains and profits from conducting betting and gaming - 40%
- (ii.) On gains and profits from manufacture and sale or import and sale of any liquor or tobacco products - 40%
- (iii.) On remainder of the taxable income of a company including gains from the realization of investment assets - 30%

c) Partnership

Taxable income (Rs.)	Tax payable
Exceeding 1,000,000	6%

- d) **Charitable Institutions - 14%**
- e) **Trusts – 30%**
- f) **Unit Trust or Mutual Funds – 30%**
- g) **NGO - 30%**
- h) **Employees Trust Fund, Employees Provident Fund, and approved Gratuity Fund, Pension Fund and Termination Fund -14%**

VIII. Cage 100 - Estimated Foreign Tax Credit

- ❖ Enter any Foreign Tax Credit, if any, in Cage 100. A Foreign Tax Credit is limited to the amount of tax on such part of profits or income to which foreign tax credit relates.
- ❖

IX. Cage 110 – Estimated Advance Personal Income Tax

An employee whose employment income is subject to APIT shall enter the estimated APIT for the year of assessment in Cage 110.

X. Cage 120 – Estimated Tax Payable

Deduct foreign tax credit declared in cage 100 and Estimated APIT declared in 110 from Estimated Tax Liability in cage 90 to arrive into the Estimated Tax Payable. Specify that value in cage 120

XI. Cage 130 – Exempted/Excluded Income (Local & Foreign)

Enter any exempted or excluded income from Local source or foreign source

2.2 PART – III – DECLARATION

Taxpayer or the taxpayer’s duly authorized agent, should sign the SET declaring that the SET does not contain any incorrect, false or misleading information.

3. CALCULATION OF INCOME TAX QUARTERLY INSTALMENT PAYMENTS

3.1 The quarterly instalment payment is calculated by using the following formula.

$$\text{Quarterly Instalment Payment (E)} = \frac{A - C}{B}$$

Where,

A	Estimated Tax Payable (Amount declared in Cage 120)
B	Number of instalments remaining including the current instalment*
C	Tax payments made prior to this instalment **

Gain derived or expected to be derived from the realization of an investment asset during a year of assessment shall not be considered for the purpose of quarterly installment.

*** Number of instalments remaining including the current instalment - B**

Instalment	1st	2nd	3rd	4th
“B”	4	3	2	1

**** Tax payments made prior to that instalment – (C)**

Following payments are considered as payments for above **C**;

- a) Previous instalment payments, and
- b) any withholding tax (WHT) payments including Advanced Income Tax (AIT) paid /withheld prior to the due date of the payment of the current instalment payment.

3.2 Calculation of Net Quarterly Instalment payment

Deduct advance payments of Quarterly Instalment Payment and other relevant Credits from the Quarterly Instalment Payment to arrive into Net Quarterly Instalment Payment.

NET QUARTERLY INSTALLMENT PAYMENT = E - F

Where,

E	Quarterly Instalment Payment
F	Advance payments/ other tax credits

Following payments are considered under **(F)**.

1. Any advance instalment payment for the relevant quarter
2. Share of the instalment paid by the Partnership (for partners of a partnership).

4. PENAL PROVISIONS APPLICABLE ON SET AND INSTALMENT PAYMENTS

4.1 Penal Provisions for late filing and non-submission of the SET and submission of incorrect or misleading SET.

I A person who **fails to submit** the SET as instructed by the Commissioner General of Inland Revenue may subject to pay a penalty up to one million rupees under Section 185 of the IR Act.

II Where tax is underpaid, as a result of an **incorrect SET and material omission in the SET**, penalty will be imposed under section 180 of the IR Act in the amount of-

(a) 25% of the underpayment, if (b) does not apply;

or

(b) 75 % of the underpayment, if the amount of the underpayment is-

- higher than ten million rupees or

- higher than the 25% of the person's tax liability for the period.

III The SET form considered as a statement to a tax official and accordingly, penalty will be imposed under section 181 of the IR Act on a **false or misleading statement**. The penalty will be the amount equal to Rs. 50,000/- or the amount understated whichever is higher due to the false or misleading statement.

IV A person who willfully makes a **false or misleading SET** shall be liable on conviction to a fine up to one million rupees or to imprisonment for a term up to one year or to both such fine and imprisonment under section 190 of IR Act.

4.2 Penal provision for nonpayment /late payment of instalment payments and evading of instalment payments.

I. Penalty for nonpayment /late payment - (Under Section 179 (2) of the IR Act)

A person who fails to pay all or part of an instalment required under this Act, within 14 days of the due date for the instalment shall be liable to a penalty equal to 10% of the amount of tax due but not paid.

II. Fine and imprisonment - (Under Section 189 of the IR Act)

A person who willfully evades making instalment payments shall be liable on conviction to a fine up to ten million rupees or to imprisonment for a term up to two years or to both such fine and imprisonment under section 189 of IR Act.

III. Interest on under payment (Under Section 159 (1) of the IR Act).

In the event of an instalment or part thereof not paid on due date, **1.5% interest** per month or part of a month shall be charged on such default instalment or part of the instalment.

5. ILLUSTRATIONS

Example 01:

Mr. Kulathunga is a Chief Financial Controller (CFO) of the company “NAPTA”. His expected income for the year of assessment 2024/2025 is as follows;

- Employment income Rs. 15,000,000 (Rs. 1,250,000×12)
- Gross Interest income received on 01.05.2024 Rs. 2,000,000 (AIT has been deducted at the rate of 5% -)
- Business income Rs. 2,500,000

He has donated Rs. 750,000 to purchase equipment for the National Kidney Fund during the year of assessment. In addition, Mr. Kulathunga has installed a solar panel to his residential place which is connected to national grid at cost of Rs. 1,350,000.

In addition to the above he expected to earn Rs. 3,000,000 from his foreign consultancy income which channeled to be remit Sri Lanka through his Foreign currency account at People’s Bank.

Calculation of Estimated Tax Payable

		Rs.
Employment Income		15,000,000
Interest Income		2,000,000
Business Income		2,500,000
Estimated Assessable Income		19,500,000
Less - Reliefs		

• Personal Relief		(1,200,000)
• Solar Panel		(600,000)
Less – Qualifying payments		
• Donations to the Kidney Fund		(750,000)
Estimated Taxable Income		16,950,000
Estimated Tax Liability	500,000 x 6% = 30,000	
	500,000 x 12% = 60,000	
	500,000 x 18% = 90,000	
	500,000 x 24% = 120,000	
	500,000 x 30% = 150,000	
	14,450,000 x 36% = 5,202,000	5,652,000
Total Tax Liability		5,652,000
Deduct – APIT		(4,518,000)
Estimated Tax Payable (A)		1,134,000

****Calculation of estimated APIT**

Employment Income per month – Primary (1,250,000 at 36%) (15,000,000 /12)	1,250,000
Less As per APIT Table 01	(73,500)
APIT deductible per month (450,000-73,500)	376,500
APIT deducted per annum (376,500 x 12)	4,518,000

Calculation of Quarterly Instalment Payable

$$\begin{aligned}
 \text{Quarterly Instalment Payment (E)} &= \frac{A - C}{B} \\
 &= \frac{1,134,000 - 100,000}{4} \\
 \text{1st Instalment payable} &= \underline{\underline{\text{Rs. 258,500}}}
 \end{aligned}$$

Example 2

Ms. Krishanthi, Lecturer, Faculty of social science is attached to the University of Rajarata, Sri Lanka. Meanwhile, she provides service to the Faculty of Graduate Studies also and receives a payment. Her expected income for the year of assessment 2024/2025 is as follows;

- Employment income from the University of Rajarata (primary employment) is Rs. 5,400,000
- Employment income from the Faculty of Graduate Studies (secondary employment) is Rs. 2,500,000. Since the monthly income from the primary employment is over the range 322,000 applicable tax rate is 36%)
- Gross Interest income received on 01.05.2024 Rs, 4,000,000 (deduction of AIT at rate 5% amounting to Rs. 200,000)

Employment income includes estimated cash and non-cash benefits. The professor has spent Rs. 1,350,000 during the month of December 2024 to acquire solar panels to fix on her premises and connected to the national grid. She has donated Rs. 750,000 to the General Hospital to purchase the medicine & equipment.

Calculation of Estimated Tax Payable

		Rs.
Employment Income (primary + secondary)	(5,400,000 + 2,500,000)	7,900,000
Investment Income		
• Interest Income		4,000,000
Estimated Assessable Income		11,900,000
Less – Reliefs		
• Donation to General Hospital	(750,000)	
Personal Relief	(1,200,000)	
Less – Qualifying payments		
• Expenditure on solar panels	(600,000)	2,550,000
Estimated Taxable Income (ETI)		9,350,000
Gross Estimated Tax Liability	500,000 x 6% = 30,000	
	500,000 x 12% = 60,000	
	500,000 x 18% = 90,000	
	500,000 x 24% = 120,000	

	$500,000 \times 30\% = 150,000$	
	$6,850,000 \times 36\% = 2,466,000$	2,916,000
Less: Estimated APIT **		(1,962,000)
Estimated Tax Liability (A)		954,000

****Calculation of Estimated APIT (Deductible by the Employer)**

Description	Monthly Income	Estimated Taxable Income (ETI)		Deducted amount of Tax
Primary employment Income	$(5,400,000/12)$	450,000	$(450,000 \times 36\%)$	
As per the APIT Guideline and Table 01	450,000		- 73,500 = 88,500	
APIT deduct per Month				88,500
APIT deduct per Annum			$88,500 \times 12$	1,062,000
Secondary employment income	208,333	208,333	$208,333 \times 36\% = 75,000$	75,000
APIT deducted per Annum from Secondary employment As per payee table 07			$75,000 \times 12 = 900,000$	900,000
Total APIT Deduction				1,962,000

Calculation of Quarterly Instalment Payable

$$\begin{aligned}
 \text{Quarterly Instalment Payment (E)} &= \frac{A - C}{B} \\
 &= \frac{954,000 - 200,000}{4} \\
 \text{1st Instalment payable} &= \frac{754,000}{4} = \underline{\underline{\text{Rs. 188,500}}}
 \end{aligned}$$

Example 03:

Dr. Akram is a Orthopedic surgeon peradeniya Teaching Hospital. Also, he is engaged in private practice at private hospital as a consultant. His **expected** income for the year of assessment 2024/2025 is as follows;

- Employment income is Rs. 9,600,000
- Business (Professional) income is Rs. 40,000,000 from his own medical centre.
- Gross Interest income received on 01.07.2024 amounting to Rs. 6,000,000 (AIT has been deduct at the rate of 5%. amounting to Rs. 300,000)
- Rent income is Rs. 8,000,000

Employment income includes estimated cash and non-cash benefits. Also he expected to donate Rs. 300,000 to an approved charity. Tax payment made prior to first instalments is Rs. 1,250,000

Calculation of Estimated Tax Payable

		Rs.
Employment Income		9,600,000
Business Income		40,000,000
Investment Income		
• Interest Income		6,000,000
• Rent Income		8,000,000
Estimated Assessable Income		63,600,000
Less - Reliefs		
• Rent Relief	8,000,000*25%	(2,000,000)
• Personal Relief		(1,200,000)
Less – Qualifying payments		

<ul style="list-style-type: none"> • Donation to approved charity (Deductible subject to 1/3rd of the Taxable Income or Rs. 75,000 whichever is less 		(75,000)
Estimated Taxable Income		60,325,000
Gross Estimated Tax Liability	500,000 x 6% = 30,000	
	500,000 x 12% = 60,000	
	500,000 x 18% = 90,000	
	500,000 x 24% = 120,000	
	500,000 x 30% = 150,000	
	57,825,000 x 36% = 20,817,000	21,267,000
Less: Estimated APIT **		(2,574,000)
Estimated Tax Payable (A)		18,693,000

****Calculation of estimated APIT**

Employment Income per month – Primary (800,000 at 36%) (9,600,000 /12)	288,000
Less As per APIT Table 01	73,500
APIT deductible per month (288,000-73,500)	214,500
APIT deducted per annum (214,500 x 12)	2,574,000

Calculation of Quarterly Instalment Payments

	1st Quarter (Rs.)	2nd Quarter (Rs.)	3rd Quarter (Rs.)	4th Quarter (Rs.)
A	18,693,000	18,693,000	18,693,000	18,693,000
B	4	3	2	1
C	300,000	4,898,250	9,496,500	14,094,750

Quarterly Instalment payment (E)	4,598,250	4,598,250	4,598,250	4,598,250
Deductions (F)	-	-	-	-
Final Quarterly payment (E- F)	4,598,250	4,598,250	4,598,250	4,598,250

Example 4:

Mr. Nalaka is engaged in the business of manufacturing of Kitchen items. His **expected** income for the year of assessment 2024/2025 is as follows;

- Business income (after deducting allowable expenses) Rs. 25,000,000
- Gross Interest income received at the end of Second Quarter Rs. 5,000,000 (AIT has been deducted at the rate of 5% on 01.08.2024 Accordingly, deduced (AIT) on interest = 250,000)

He made an advance payment of Rs. 900,000 for 1st instalment on 15th June 2024.

Calculation of Estimated Tax Payable

		Rs.
Business Income		25,000,000
Investment Income		
• Interest Income		5,000,000
Estimated Assessable Income		30,000,000
Less - Reliefs		
• Personal Relief		(1,200,000)
Estimated Taxable Income		28,800,000
Estimated Tax Payable	500,000 x 6% = 30,000	
	500,000 x 12% = 60,000	
	500,000 x 18% = 90,000	

	$500,000 \times 24\% = 120,000$	
	$500,000 \times 30\% = 150,000$	
	$26,300,000 \times 36\% = 9,468,000$	9,918,000

Calculation of quarterly instalment payable

$$\begin{aligned}
 \text{Quarterly Instalment Payment (E)} &= \frac{A - C}{B} \\
 &= \frac{9,918,000 - 250,000 \text{ (AIT)}}{4} \\
 &= 2,417,000
 \end{aligned}$$

$$\begin{aligned}
 \text{Payable 1}^{\text{st}} \text{ Instalment} &= E - F \\
 &= E - \text{Advance payment} \\
 &= 2,417,000 - 900,000 \\
 \text{Net 1}^{\text{st}} \text{ Instalment Payable} &= \underline{\underline{\text{Rs } 1,517,000}}
 \end{aligned}$$

Example 5

Hiruni and Waruni are partners of HW Enterprises, sharing partnership profits on equal basis. The partnership is engaged in the business of manufacturing steel products. During the year of assessment 2024/2025 estimated gains and profits of the partnership is as follows.

- Business income (after deducting allowable expenses) Rs. 54,000,000
- Gross Interest Income received on 15.06.2024 Rs. 7,500,000. (AIT has been deducted at 5% on 15.07.2024 Rs. 7,500,000 x 5% = 375,000)
- Rent Income - Rs. 3,300,000 per annum (Assumed WHT/AIT has not been deducted due to payment delay)

Partnership wishes to donate Rs. 500,000 for an approved charity.

Calculation of Estimated Tax Payable of the Partnership

		Rs.
Business Income		54,000,000
Investment Income		
• Interest Income		7,500,000

• Rent Income		3,300,000
Estimated Assessable Income		64,800,000
Less – Qualifying Payments		
• Donations to approved charity (1/5th of the Taxable Income or Rs. 500,000 of the donations made whichever is less		(500,000)
Estimated Taxable Income		64,300,000
Estimated Tax Payable	1,000,000 x 0% = 0	
	63,300,000 x 6% = 3,798,000	3,798,000
Estimate Tax Payable (A)		3,798,000

Calculation of quarterly instalments payable by the Partnership

	1 st Quarter (Rs.)	2 nd Quarter (Rs.)	3 rd Quarter (Rs.)	4 th Quarter (Rs.)
A	3,798,000	3,798,000	3,798,000	3,798,000
B	4	3	2	1
C	375,000	1,230,750 (855,750+375,000)	2,086,500 (1,230,750+855,750)	2,942,250 (2,086,500+855,750)
Quarterly Instalment payment(E)	855,750	855,750	855,750	855,750
Deductions(F)	-	-	-	-
Final Quarterly payment (E- F)	855,750	855,750	855,750	855,750
Hiruni’s PIT tax credit (50%)	427,875	427,875	427,875	427,875
Waruni’s PIT tax credit (50%)	427,875	427,875	427,875	427,875

* Cumulative AIT deducted by the withholding agent prior to the date of each instalment, can be included to C.

Note:

Partnerships shall allocate the share of partnership tax to the partners. Subject to the payment of Partnership Income Tax, partners are entitled to deduct share of partnership tax as a credit. (Include such amount to “F” in the given formula).

However, any excess share of partnership tax is not entitled to a refund but allowed to be carried forward to the next year of assessment. Partners are entitled to deduct such excess amount against the future instalment payable (include such amount to “F” in the given formula).

Estimated distribution of share of income, qualifying payments and Tax credits (Rs.)

	Hiruni (Partner 1)	Waruni (Partner 2)
Share of Business Income	27,000,000	27,000,000
Share of Investment Income		
• Interest Income	3,750,000	3,750,000
• Rent Income	1,650,000	1,650,000
Share of Qualifying Payment on Donations to approved charity	250,000	250,000
Share of AIT on interest	187,500	187,500
Share of Partnership Income Tax (amount of tax credit would be paid prior to instalment due date)	1,711,500	1,711,500

Calculation of Mrs. Hiruni’s estimated tax payable

Mrs. Hiruni received Rs 2,000,000 as an Gross interest income on 01.07.2024 (AIT has been to deducted at 5%) She has donated Rs. 300,000 for approved charity and also she has paid the housing loan interest and Rs. 350,000 and Rs. 275,000 for education & health of the children’s during the year.

		Rs.
Business Income		27,000,000
Investment Income		
• Interest Income	(3,750,000+2,000,000)	5,750,000
• Rent Income		1,650,000
Estimated Assessable Income		34,400,000
Less – Reliefs		
• Personal Relief		(1,200,000)
Less – Qualifying Payments		
• Donation to approved charity (Deductible subject to 1/3 rd of the Taxable Income or Rs. 75,000 of the donation made whichever is less		(75,000)
Estimated Taxable Income		33,125,000
Estimated Tax Payable	500,000 x 6% = 30,000	
	500,000 x 12% = 60,000	
	500,000 x 18% = 90,000	
	500,000 x 24% = 120,000	
	500,000 x 30% = 150,000	
	30,625,000 x 36% = 11,025,000	11,475,000
Estimated Tax Payable (A)		11,475,000

Calculation of Quarterly Instalments Payments

	1 st Quarter (Rs.)	2 nd Quarter (Rs.)	3 rd Quarter (Rs.)	4 th Quarter (Rs.)
A	11,475,000	11,475,000	11,475,000	11,475,000
B	4	3	2	1
C	287,500	3,084,375 (287,500+2,796,875)	5,881,250 (3,084,375+2,796,875)	8,678,125 (5,881,250+2,796,875)
Quarterly Instalment payment(E)	2,796,875	2,796,875	2,796,875	2,796,875
Deductions(F)				
Share of partnership income tax	427,875	427,875	427,875	427,875
Carried forward for future instalment tax payable	-	-	-	-
Net Quarterly payment (E- F)	2,369,000	2,369,000	2,369,000	2,369,000

For further details please contact;

1. 1944 – Inland Revenue Call Centre
2. 011-2134250 – Senior Commissioner – Clearance & Direction Unit
3. 011-2134205 - Commissioner – Consultation & Promotion Unit
4. 011-2134204 - Commissioner– Clearance & Direction Unit
5. Commissioners of all Regional & Metro Units