TAX TABLE NO: 07
Rates for the deduction of Tax from the Secondary 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.

With respect to an employee, secondary employment means any employment that is not the Primary employment of the employee. An individual may hold multiple secondary employment contracts, but only one primary employment contract should be held at any given time in a year of assessment

When applying this table, the full tax liability may not always be covered by deductions from employment income. In such cases, the employee is required to make due payments through quarterly installments and a final payment. If excess tax has been deducted, the employee is entitled to claim a refund, subject to the provisions of the Inland Revenue Act.

01. Resident Employee

If the employee is a resident in terms of the provisions of the Inland Revenue Act, the tax should be deducted **at appropriate rate given in** Table 7.1 which depends on the income from primary employment. Based on the estimated monthly remuneration range from the employee's primary employment, as declared in their secondary employment declaration, the applicable tax rate should be applied to the corresponding income.

However, if the employee has not submitted a secondary employment declaration or has not disclosed their primary employment income details, the secondary employer shall apply the highest rate (36%).

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

Category 1	Tax Rate on Remunerations from Secondary Employment
1. If the **aggregate** of monthly gains and profits from Primary and Secondary Employment is **less than Rs. 150,000.00**	0%
2. If the **aggregate** of monthly gains and profits from Primary and Secondary Employment is **higher than Rs. 150,000.00** and **less than Rs. 233,333.00**	6%
Category 2	
3. If the **aggregate** of monthly gains and profits from Primary and Secondary Employment is **higher than Rs. 233,333.00**, applicable tax rates are determined as below;	

If monthly gains and profits from **Primary Employment** (Rs.)	Tax Rate on the total Remunerations from Secondary Employment
0 - 150,000	6%
150,001 - 233,333	18%
233,334 - 275,000	24%
275,001 - 316,666	30%
316,667 and above	36%

Example 01:

Mrs. Jayanatha is a resident employee of a private company ACB, and her regular monthly profits (remuneration) from employment (including non-cash benefits) is Rs 250,000/- Further, She gets a monthly fixed payment of Rs.100,000 from company B, as her secondary employment.

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

As her Income from Primary employment Rs. 250,000/- falls under income range of Rs. 233,334 – 275,000, the applicable tax rate on secondary employment is 24%.

Then, the tax deductible on the Secondary employment is, Rs. 100,000 X 24% = 24,000

Example 02:

Mr. Chandana a resident employee of a private company P, and his regular monthly profits (remuneration) from employment (including non-cash benefits) is Rs 170,000/- Further, he gets a monthly fixed payment of Rs. 35,000 from company Q, as his secondary employment.

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

*As his Incomes from Primary employment Rs. 170,000/- and Secondary employment Rs. 35,000/- (Aggregate of monthly gains and profits from Primary Employment and monthly gains and profits from Secondary Employment is less than Rs. 233,333.00) falls under **the item 2 of category 1 in the Table 7.1**, the applicable tax rate on secondary employment is 6%.*

Then, the tax deductible on the Secondary employment is, Rs. 35,000 X 6% = 2,100.00

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), **the tax should be deducted,** 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 Secondary Employment – Non-residents

Monthly Remunerations from Secondary Employment (Rs.)	Tax Rate
On the total remunerations from secondary employment	36%