

By virtue of powers vested in me under paragraph 10 of First Schedule of the Inland Revenue Act, No. 24 of 2017, I, Ivan Dissanayake Commissioner General of Inland Revenue do hereby specify the Income Tax Tables set out in this publication, for the purpose of withhold tax from a payment that is to be included in calculating the taxable income of an employee, in terms of section 83 of said Act, for the year of assessment commencing on April 1, 2018.

I specify such income tax tables for every subsequent years of assessment unless other tables are specified for such subsequent years.

Commissioner General of Inland Revenue

14.03.2018

SRI LANKA INLAND REVENUE

Pay as You Earn (P.A.Y.E.)

P.A.Y.E. income tax tables and instructions for their use applicable with effect from 01.04.2018

Index

Tax Table No.	01	Monthly Tax Deductions from Regular profits
Tax Table No.	02	Rates for deductions of tax from Lump-sum-payments
Tax Table No.	03	Deduction of Tax from Once-and-for-all-payments (Terminal Benefits)
Tax Table No.	04	Rates for the deduction of tax from the regular profits from employment of employees who are non-citizens in Sri Lanka
Tax Table No.	05	Deduction of tax on cumulative Profits from employment
Tax Table No.	06	Tax on Tax Rates
Tax Table No.	07	Rates for the deduction of tax from the regular profits from employment of any employee, who has not furnish the primary employment declaration, or who employed under more than one employer,

Employer & Employee Obligations under PAYE Scheme

- Employee should furnish Primary Employment Declaration to his Employer
- Remit to the Commissioner General every tax deduction made under PAYE Scheme during a month, not later than the 15th day of the month immediately following.
- Where the Employer fails to withhold the relevant tax :-
 - Employer himself responsible to remit the due tax to CGIR in the same manner, at the same time as the tax withheld and recover such amount from the Employee
 - Employer & Employee jointly and severally liable for the payment of the tax on or before the due date
- Issue a **WHT Certificate** to all employees, details including the tax deductions made during the year (T10 form), before the expiry of the 30th day of April or where an employment ceases during the year of assessment, not more than thirty days from the date of cease.
- Furnish **Annual Statement, with Schedules** to the Commissioner General not later than 30th April every year.
- Penalty and Interest on Non Payment
 - a penalty equal to 20% of the due tax, but not paid, in case of a failure to pay /or remit all or part of the tax for a tax period within 14 days of the due date
 - an interest equal to 1.5% per month or part month on the amount of tax, if the tax is not paid by due date
- Keep in safe custody the documents relating to every payment made to employees. Whenever officers authorized by the Commissioner General call for inspection, such documents should be made available to them.
- In the following circumstances, the tax referred to in the table 6 should be paid in addition to the tax referred to in the Tables 1, 2, 4, 5 and 7
 - When an employer or any other person settles income tax of an employee, without it being deducted from his salary, or
 - Reimbursement (by the employer) of income tax already deducted from employee's salary and remitted to Inland Revenue Department.
- Required to contact the Commissioner PAYE Audit Unit, Nawam Mawataha or The Secretariat of Inland Revenue Department, if it appears that in relation to any payment made to an employee, no tax table given; or if the employer requires any further clarification.