

Ref. 01/2020

Circular to clients

Changes to Nation Building Tax & Economic Service Charge

1. Nation Building Tax

New tax proposals made to Nation Building Tax and approved by the cabinet of ministers, will be implemented subject to formal amendments to Nation Building Tax Act, No. 9 of 2009.

- I. NBT has been abolished with effect from December 01st 2019.
- II. If the liable turnover exceeds following thresholds for the quarter ended December 31, 2019, such person is liable to pay NBT only for the period from October 01st 2019 to November 30th 2019.
 - any person/partnership who/which engages in the business of processing of any locally procured agricultural produce in the preparation for sale and his/its liable turnover exceeds twenty-five million (Rs. 25 Mn,) or,
 - any other person whose liable turnover exceeds three million (Rs. 3 Mn),

With effect from December 01, 2019, any turnover of any person/partnership is not subject to NBT.

- III. NBT payment for the month of November 2019, is required to be paid on or before December 20, 2019 and NBT Return for the quarter ended 31st December 2019 has to be filed before 20th January 2020.

2. Economic Service charge

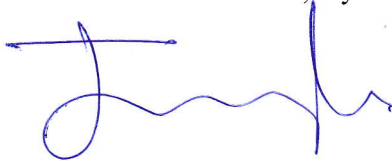
New tax proposals made to Economic Service charge and approved by the cabinet of ministers, will be implemented subject to formal amendments to Economic Service charge Act, No. 13 of 2006.

- I. ESC has been abolished with effect from January 01, 2020.

Accordingly, any person or partnership for any quarter commencing on or after January 01, 2020 is not subject to ESC.

- II. ESC payment for the quarter ended with December 31, 2019, is required to be paid on or before January 20th 2020 and the return for the year of assessment 2019/2020 should be submitted 20th April 2020.

Please feel free to contact us, if you need any further clarifications in this regard.



Jayasinghe & Co.

Chartered Accountants

02nd January 2020

