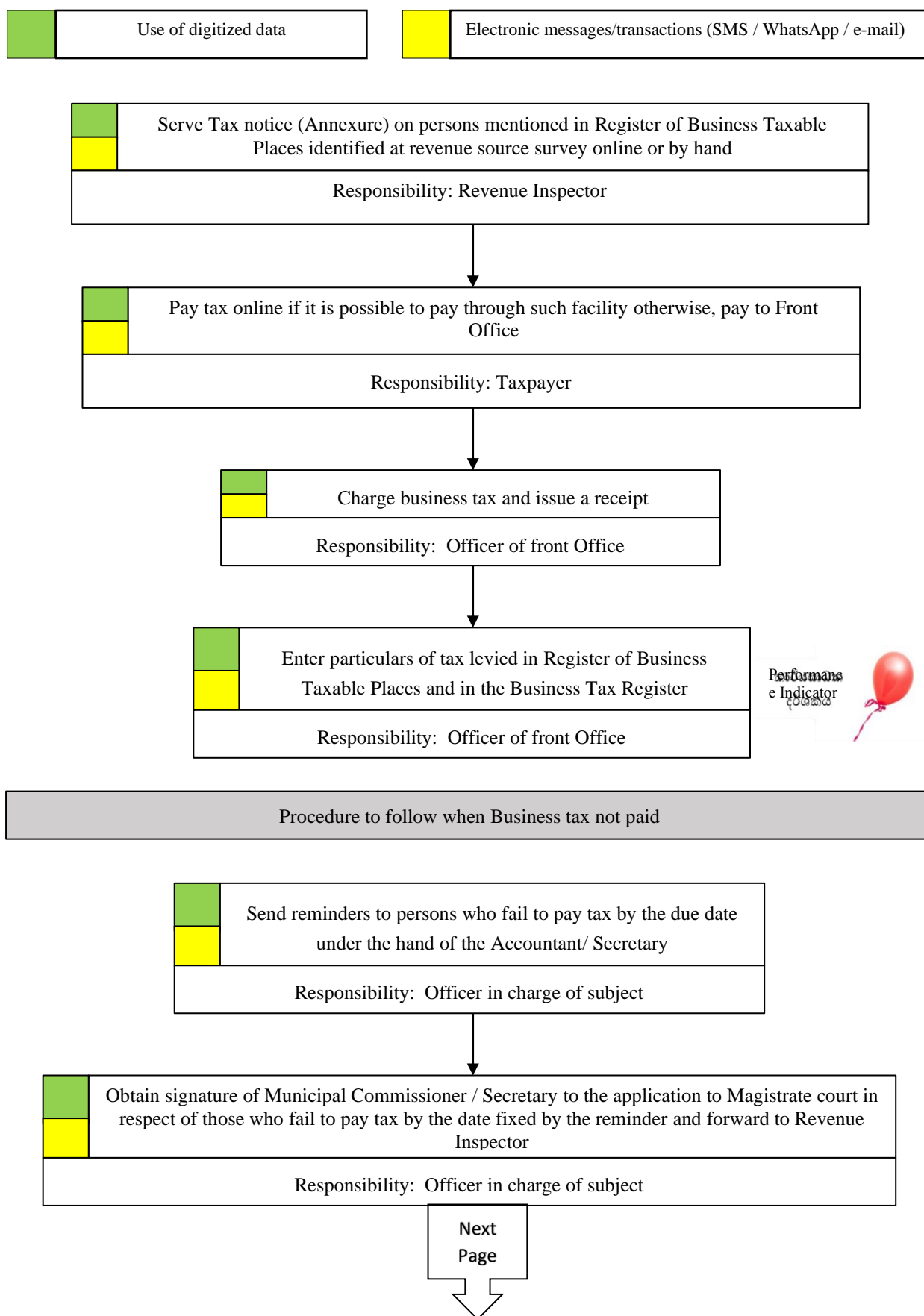
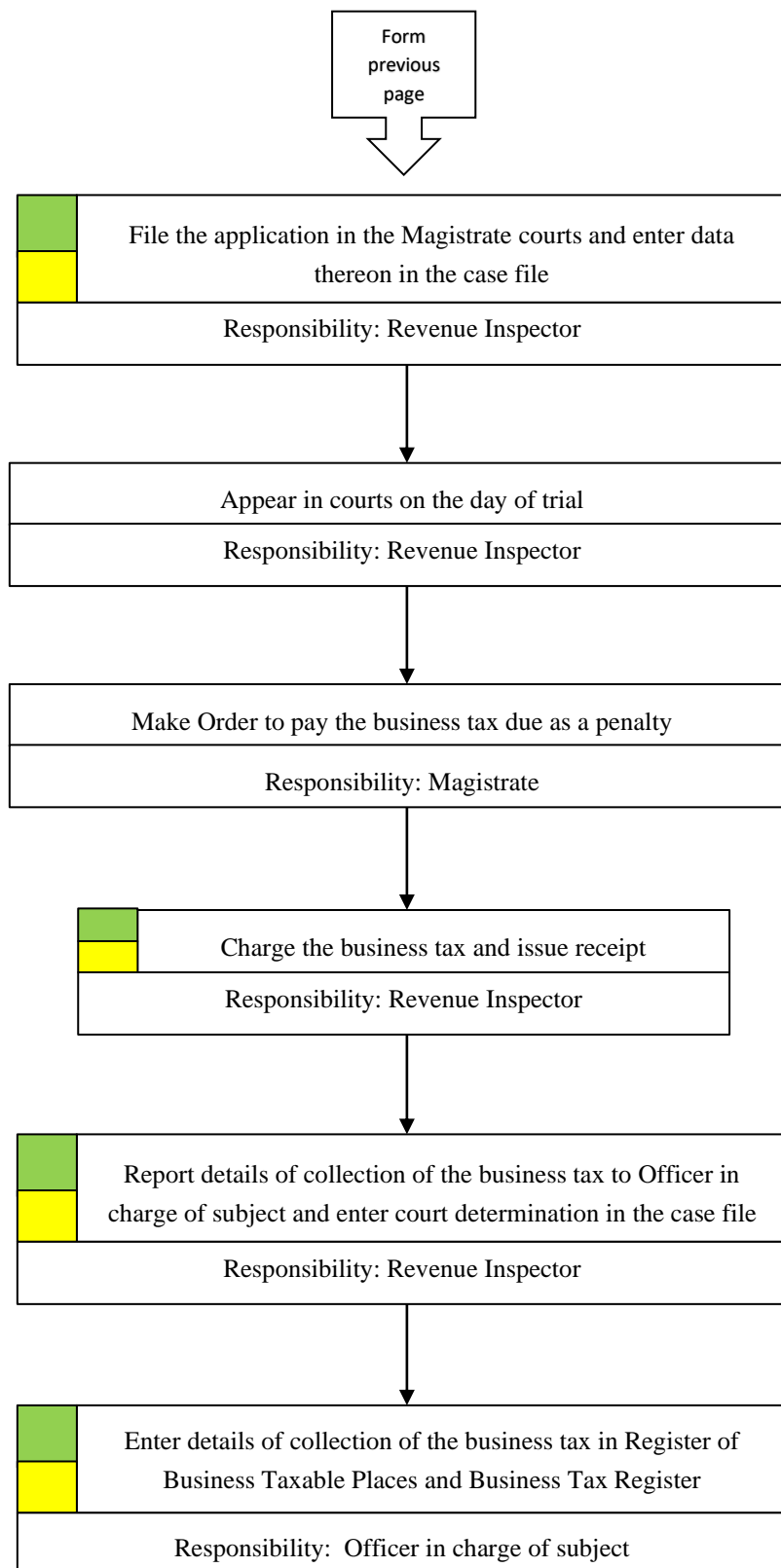


09. Collection of Business Tax – Flow Chart





Performance
Indicator



09. Collection of business tax

1. Introduction

- (a) Under the powers vested in Parliament under Article 148 of the Constitution to delegate its powers to impose a tax to another authority under any law, any Municipal Council, under the powers vested in it under the Municipal Council Ordinance (Chapter 252), any urban Council, under the powers vested in it under the Urban Council Ordinance (Chapter 255), and any Pradeshiya Sabha under the powers vested in it under the Pradeshiya Sabha Act, No. 15 of 1987, has been vested the powers to impose and levy a tax on any person carrying on any business within the limits of the local authority. Accordingly, any local authority may impose and levy a tax on any business carried on within the limits of the local authority.
- (b) In the case of a place that is not subject to industrial tax and where By-laws have not required a license for a place where a certain business of providing a service is carried on, such business shall be subject to this tax.

2. Applicable Legislation

- (a) Paragraph (1) of Section 247 C of the Municipal Council Ordinance (Chapter 252);
- (b) Paragraph (1) of Section 165 B of the Urban Council Ordinance (Chapter 255; and
- (c) Paragraph (1) of Section 152 of the Pradeshiya Sabha Act, No. 15 of 1987.

3. Eligibility

In the case of a place that is not subject to industrial tax and a person who is not required to obtain a license under the provisions of a by-law and who is engaged in the work of providing services is liable to pay this tax.

4. Fee

- (a) The business tax notice issued by the local authority

Note: The amount of tax varies according to the takings of the business for the year preceding.

The tax depending on the amount of the takings of the business for the year preceding which-

Does not exceed Rs. 6,000.00, is	Rs. Nill
Exceeds Rs. 6,000.00 but does not exceed Rs. 12,000.00, is	Rs. 90.00
Exceeds Rs. 12,000.00 but does not exceed Rs. 18,750.00, is	Rs. 180.00
Exceeds Rs. 18,750.00 but does not exceed Rs. 75,000.00, is	Rs. 360.00
Exceeds Rs. 75,000.00 but does not exceed Rs. 150,000.00, is	Rs. 1,200.00
Exceeds Rs. 150,000.00, is	Rs. 3,000.00

5. Documents to be submitted.

Business tax notice issued by the Municipal Commissioner / Secretary as per the format attached hereto.

Note: If a person is unable to produce the tax notice, tax can still be paid by informing the Officer of Front Office of the local authority that he is carrying on a business of the nature aforesaid and the address of the place where he is carrying on the business.

6. procedure to Levy Business Tax

Procedure	Duration	Responsibility
Delivery of business tax notice by e-mail or by hand to persons mentioned in the Register of Business Taxable Places identified in the Source of Income Survey (Annexure)	Before 31 st March every year	Revenue Inspector
Pay tax online if it is possible to pay through internet facility, otherwise, pay to Front Office	Before the expiry of 7 days from the date of the notice	Taxpayer
Levy the tax and issue a receipt	On the day itself	Officer of Front Office
Enter information about tax collected in Register of Business Taxable Places and in the Register of Business Tax	On the day itself	Officer of Front Office

7. legal Consequences of non-payment of business tax

Procedure	Duration	Responsibility
Send reminders to persons who fail to pay tax by the due date under the hand of the Accountant/ Secretary	Immediately upon the lapse of the due date to pay tax	Officer in charge of subject
Obtain signature of Municipal Commissioner / Secretary to the application to Magistrate in respect of those who fail to pay tax by the date fixed by the reminder and forward to Revenue Inspector	Immediately upon the lapse of the date specified in the reminder	Officer in charge of subject
File the application in the Magistrate courts and enter data thereon in the case file	Immediately upon receiving the signed application	Revenue Inspector
Appear in courts	On the day as notified by Court Registrar	Revenue Inspector
Make an order to charge the taxes due as a penalty		Magistrate
Levy taxes and issue a receipt	Once the court declares its order	Nominated officer under the supervision of Revenue Inspector
Report the information about the tax collected to Officer in charge of subject and record the court decision in the case file	On the day itself	Revenue Inspector
Enter information about tax collected in Register of Business Taxable Places and in the register of business tax	Within two days from receiving the report of Revenue Inspector	Officer in charge of subject

Note: 1. It shall be the duty of the Municipal Commissioner / Secretary to delegate powers to the Revenue Inspector to proceed with court action to recover the unpaid business tax.

2. Necessary arrangements for sending another officer to the court with a receipt book should be made in consultation with the court registrar, to facilitate the collection of tax immediately after issuing the order by the Magistrate.

.....**Municipal /Urban Council/Pradeshiya Sabha**
Business Tax Notice for the year 20.....



My No.:
On thisday of20 ..

Mr./Mrs/Miss.,
.....
.....

Dear Sir/Madam,

Business Tax for the Year 20....

It is hereby notified that the Municipal Council by virtue of the powers vested in it under Section247C of the Municipal Council Ordinance (Chapter 252) /the Urban Council by virtue of the powers vested in it under Section 162B of the Urban Council Ordinance (Chapter 255)/the Pradeshiya Sabha by virtue of the powers vested in it under Section 152 of the Pradeshiya Sabha Act, No. 15 of 1987* has resolved to impose and levy annually on every person who, within the limits of such local authority, carries on any business for which no license is necessary under the provisions of the Ordinance/Act or any by-law made thereunder, or no trade tax is payable, in the year 20...., a tax according to the takings of the business for the year preceding the year in which such tax is payable and that the tax should be paid to the Municipal/Urban Council/Pradeshiya Sabha before April 30th, 20.....

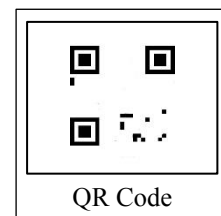
02. The tax aforesaid is applicable to the business mentioned below, carried on by you.

Of the Business:

- (a) Name:
- (b) Nature:
- (c) The estimated takings of the business for the year preceding the year: Rs.

03. I, the Municipal Commissioner/Secretary of the Municipal/Urban Council/Pradeshiya Sabha, by virtue of the powers vested in me under Paragraph (3) of Section247C of the Municipal Council Ordinance / Paragraph (3) of Section 165A of the Urban Council Ordinance/ Paragraph (3) of Section 150 of the Pradeshiya Sabha Act aforesaid, do hereby order you to pay a sum of Rs.:..... being the amount of the said business tax before 03.00 p.m. on 30th April, 20.....

Yours Sincerely,



.....

Municipal Commissioner/Secretary

..... Municipal/Urban Council/Pradeshiya Sabha