

## Tax Reforms - 2015

No.	Type of Tax	Amendment	Effective Date
<b>01.</b>	<b>Income Tax</b>		
	Exemptions	<ul style="list-style-type: none"> <li>i. Profits and income arising or accruing to any Unit Trust from investments made on or after January 1, 2015, in US Dollar deposits or US Dollar denominated securities listed in any foreign Stock Exchange.</li> <li>ii. Profits and income arising or accruing to any company, partnership or body of persons outside Sri Lanka from any payment made by way of royalty as a specific requirement of any IT/BPO Company in Sri Lanka for a period of 2 years from the commencement of such IT/BPO Company.</li> <li>iii. The interest or discount accruing or arising to any person from any investment made on or after January 1, 2015 in any Corporate Debt Security, issued by the Urban Development Authority.</li> </ul>	from any year of assessment commencing on or after 01.04.2015 unless otherwise specifically mentioned
		<ul style="list-style-type: none"> <li>iv. The interest income of the senior citizens above 60 years shall be exempted from income tax.</li> </ul>	With effect from 1 <sup>st</sup> January 2015
	Concessionary Rates	<ul style="list-style-type: none"> <li>i. <b><i>Pioneering Industry Allowance</i></b> A deduction of 10% of income tax payable by any local manufacturer who has commenced the business of manufacturing during 1970's and sustained competitiveness with imports, on the profits and income from the sale of such manufactured products in the local market.</li> <li>ii. The concessionary tax rate of maximum 16% applicable for certain categories of employment (Professionals) will be expanded to cover the other employment categories as well.</li> <li>iii. Concessionary tax rate of 12% applicable for agricultural sector will be extended to the local sugar industry</li> <li>iv. The annual turnover limit of Rs.500Mn referred to in section 59B will be increased to Rs.750Mn.</li> <li>v. One half of the profits and income from the production of films or</li> </ul>	from any year of assessment commencing on or after 01.04.2015 unless otherwise specifically mentioned

		dramas of any individual who produces an award winning cinema or a drama at an international film/drama festival will be exempt for a period of 5 years from the year in which such award is received.	
	Withholding Tax on Interest Income from Deposits	The present withholding tax regime applicable to individuals and charitable institutions will be revised by introducing a single withholding tax rate of 2.5% irrespective of the amount of interest. Exemption on interest income of senior citizens will be expanded by removing the exempt threshold presently applicable on interest income.	from any year of assessment commencing on or after 01.04.2015 unless otherwise specifically mentioned
	Deductibility of expenses	A triple deduction will be granted, to any person registered with the Tertiary Vocational Education Commission (TVEC) on expenditure incurred on standard skill development training (E.g. NVQ Level) provided to trainees.	
<b>02.</b>	<b>VAT</b>		
	Reduction of Tax Rate	The present rate of VAT of 12% will be reduced to 11%.	01.01.2015
	VAT on wholesale and retail trade	i. The present threshold of Rs.250Mn of value of supplies for a consecutive period of three months of any calendar year of any person or partnership carrying on a business of wholesale or retail trade for the chargeability to VAT will be reduced to Rs.100Mn.	01.01.2015
		ii. The value of the supply of locally produced fresh milk shall be excluded from the calculation of deemed liable supplies (restricted to 25% of the total supplies of goods) applicable on the exempt supplies made by a registered person liable for VAT on wholesale and retail trade.	25.10.2014
	Registration Threshold	The present threshold of Taxable supplies for the registration for VAT purpose of Rs.3,000,000.00 per taxable period or Rs.12,000,000.00 per annum will be increased to Rs.3,750,000.00 per taxable period or Rs.15,000,000.00 per annum.	01.01.2015

	VAT Exemption	<p><b><i>The import of:</i></b></p> <p>i. Machinery, equipment and spare parts by Sri Lanka Ports Authority (SLPA) to be used exclusively within specified ports,</p> <p>ii. Samples in relation to a business worth not more than Rs.50,000/-, subject to such terms and conditions as prescribed by the Director General of Customs.</p> <p><b><i>The supply or import of:</i></b></p> <p>i. Motor vehicles classified under the HS Codes in Chapter 87 and Cigarettes classified under HS Code 2402.20, both imported on or after 25<sup>th</sup> October 2014 (including supply of such articles which would have been liable for Excise (Special Provisions) Duty had such items imported on or after 25<sup>th</sup> October 2014),</p> <p>ii. Liquor classified under HS Code – 2203, 2204, 2205, 2206, 2207 and 2208, imported on or after 25<sup>th</sup> October 2014 (including supply of such articles which would have been liable for Customs Duty and Cess had such items imported on or after 25<sup>th</sup> October 2014),</p> <p>iii. Liquor or cigarettes falling under the same HS Code Nos given in item ii above, manufactured and subject to Excise (Ordinance) Duty or Excise (Special Provisions) Duty as the case may be (including sale of stocks as at 25<sup>th</sup> October 2014);</p> <p>(Note: Since the remaining stocks as at 25<sup>th</sup> October 2014 shall not be liable to VAT, any unabsorbed input credit would not be entitled)</p>	01.01.2015
			25.10.2014
	Provision of finance leasing facilities	<p>Provision of finance leasing facilities under any finance lease agreement entered into on or after 25<sup>th</sup> October 2014 is exempt from normal VAT but subject to VAT on Financial Services irrespective of the date of import of the asset which is the subject of such leasing facility. The lease agreements entered into prior to 25<sup>th</sup> October 2014 shall continue without any change.</p> <p>The consideration paid for the transfer of any good supplied under any lease agreement to the lessee at the termination of the lease agreement (including the pre-mature termination) should be treated as a lease rentals</p>	25.10.2014

		recovered under such lease agreement.	
<b>03.</b>	<b>NBT</b>		
	Threshold of Liabe Turnover	The present threshold of liabe turnover of NBT will be increased from Rs.3,000,000.00 to Rs.3,750,000.00 per quarter.	01.01.2015
	Exemption	<p>i. Import of machinery, equipment and spare parts by Sri Lanka Ports Authority (SLPA) to be used exclusively within specified ports will be exempt from NBT,</p> <p>ii. Import of samples in relation to a business worth not more than Rs.50,000/-, subject to such terms and conditions as prescribed by the Director General of Customs.</p> <p>iii. (a) Motor vehicles classified under the HS Codes in Chapter 87 and Cigarettes classified under HS Code 2402.20, both imported on or after 25<sup>th</sup> October 2014,</p> <p>(b) Liquor classified under HS Code – 2203, 2204, 2205, 2206, 2207 and 2208, imported on or after 25<sup>th</sup> October 2014,</p> <p>(c)Liquor or cigarettes falling under the same HS Code Nos indicated in item (b) above, manufactured and subject to Excise (Ordinance) Duty or Excise (Special Provisions) Duty as the case may be:</p> <p>Including sale of stocks of such articles as at 25th October 2014, are exempt from NBT with effect from 25th October 2014 so far as the importer or the manufacturer sales such articles.</p> <p>The NBT on the sale of above items other than the sale of cigarettes by subsequent persons will remain unchanged.</p>	25.10.2014
	Provision of finance leasing facilities	Provision of finance lease facilities under any finance lease agreement entered into on or after 25th October 2014 is liable to NBT on financial services irrespective of the date of import of the asset which is the subject of such leasing facility. The exemption on NBT on any lease agreement entered into prior to 25th October 2014 continues without any change.	25.10.2014

<b>04.</b>	<b>Betting and Gaming Levy</b>		
		i. Tax rate applicable for gross collection will be revised to 10% ii. An entry fee of US\$ 100 will be charged per person who enters casino entertainment.	01.01.2015
<b>05.</b>	<b>Excise (Special Provisions)Duty</b>		Schedules I, II and III

**Schedule I**

**Items which are liable for Excise (Special Provisions) Duty and exempt from VAT and NBT with effect from 25.10.2014**

<i>H S Hdg.</i>	<i>H S code</i>	<i>Description</i>	<i>Excise Duty</i>
<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>
<b>24.02</b>		<b>Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.</b>	
	2402.10	Cigars, cheroots and cigarillos, containing tobacco	Rs.7,000 per kg net weight
	2402.20	Cigarettes containing tobacco :	
	2402.20.20	Cigarettes, each not exceeding 60 mm in length	Rs.6,975/= per 1000 cigarettes
	2402.20.30	Cigarettes, each exceeding 60 mm but not exceeding 67 mm in length	Rs.12,675/= per 1000 cigarettes
	2402.20.40	Cigarettes, each exceeding 67 mm but not exceeding 72 mm in length	Rs.14,660/= per 1000 cigarettes
	2402.20.50	Cigarettes, each exceeding 72 mm but not exceeding 84 mm in length	Rs.21,610/= per 1000 cigarettes

	2402.20.60	Cigarettes, each exceeding 84 mm in length	Rs.25,100/= per 1000 cigarettes
<b>87.02</b>		<b>Motor vehicles for the transport of ten or more persons, including the driver.</b>	
	8702.10	With compression-ignition internal combustion piston engine (diesel or semi-diesel) :	
		Motor vehicles for the transport of less than 13 persons (adults) including the driver, not more than three and a half years old:	
	8702.10.12	Modified Vehicles of heading 87.03, not more than two years old	300%
	8702.10.13	Modified Vehicles of heading 87.03, more than two years old.	300%
	8702.10.19	Other	200%
		Motor vehicles for the transport of less than 13 persons (adults) including the driver, more than three and a half years old:	
	8702.10.21	Modified Vehicles of heading 87.03	300%
	8702.10.29	Other	200%
		Motor vehicles for the transport of 13 or more persons (adults) but less than 25 persons (adults) including the driver, not more than five years old	
	8702.10.32	Modified Vehicles of heading 87.03, not more than two years old	300%
	8702.10.33	Modified Vehicles of heading 87.03, more than two years old	300%
	8702.10.39	Other	85%
		Motor vehicles for the transport of 13 or more persons (adults) but less than 25 persons (adults) including the driver, more than five years old	
	8702.10.41	Modified Vehicles of heading 87.03	300%
	8702.10.49	Other	85%
		Other, not more than five years old	
	8702.10.52	Modified Vehicles of heading 87.03, not more than two years old	300%
	8702.10.53	Modified Vehicles of heading 87.03, more than two years old	300%
		Other, more than five years old	
	8702.10.61	Modified Vehicles of heading 87.03	300%

	8702.10.69	Other	70%
	8702.90	Other	
		Motor vehicles for the transport of less than 13 persons (adults) including the driver, not more than three and a half years old	
	8702.90.12	Modified Vehicles of heading 87.03, not more than two years old	240%
	8702.90.13	Modified Vehicles of heading 87.03, more than two years old	240%
	8702.90.19	Other	150%
		Motor vehicles for the transport of less than 13 persons (adults) including the driver, more than three and a half years old	
	8702.90.21	Modified Vehicles of heading 87.03	240%
	8702.90.29	Other	150%
		Motor vehicles for the transport of 13 or more persons (adults) but less than 25 persons (adults) including the driver, not more than five years old	
	8702.90.32	Modified Vehicles of heading 87.03, not more than two years old	240%
	8702.90.33	Modified Vehicles of heading 87.03, more than two years old	240%
	8702.90.39	Other	85%
		Motor vehicles for the transport of 13 or more persons (adults) but less than 25 persons (adults) including the driver, more than five years old	
	8702.90.41	Modified Vehicles of heading 87.03	240%
	8702.90.49	Other	85%
		Other, not more than five years old	
	8702.90.52	Modified Vehicles of heading 87.03, not more than two years old	240%
	8702.90.53	Modified Vehicles of heading 87.03, more than two years old	240%
		Other, more than five years old	
	8702.90.61	Modified Vehicles of heading 87.03	240%
	8702.90.69	Other	70%
<b>87.03</b>		<b>Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars.</b>	

	8703.10	Vehicles specially designed for travelling on snow; golf cars and similar vehicles :	
	8703.10.10	Not more than two years old	100%
	8703.10.20	More than two years old	100%
		Other vehicles, with spark-ignition internal combustion reciprocating piston engine :	
	8703.21	Of cylinder capacity not exceeding 1,000 cc :	
	8703.21.30	Hearses not more than two years old	150%
	8703.21.40	Hearses more than two years old	150%
		Auto-trishaws	
	8703.21.51	With two-stroke petrol engine	105%
	8703.21.52	Other, driven by liquefied petroleum (L.P.) gas not more than two years old	95%
	8703.21.53	Other, driven by liquefied petroleum (L.P.) gas more than two years old	95%
	8703.21.54	Other, not more than two years old	105%
	8703.21.55	Other, more than two years old	105%
		Motor cars including station wagons and racing cars, not more than two years old	
	8703.21.61	Hybrid electric vehicles	50%
	8703.21.69	Other	150% or Rs.650,000.00 per unit
		Motor cars including station wagons and racing cars, more than two years old	
	8703.21.71	Hybrid electric vehicles	50%
	8703.21.79	Other:	150% or Rs.650,000.00 per unit
		Other:	
	8703.21.91	Hybrid electric vehicles, not more than two years old	50%
	8703.21.92	Other, not more than two years old	150% or Rs.650,000.00 per unit
	8703.21.93	More than two years old	150% or Rs.650,000.00 per unit
	8703.22	Of a cylinder capacity exceeding 1,000 cc but not exceeding 1,500 cc:	
	8703.22.30	Hearses not more than two years old	150%

	8703.22.40	Hearses more than two years old	150%
		Motor cars including station wagons and racing cars, not more than two years old	
	8703.22.51	Hybrid electric vehicles	50%
	8703.22.59	Other	150%
		Motor cars including station wagons and racing cars, more than two years old	
	8703.22.61	Hybrid electric vehicles	50%
	8703.22.69	Other:	150%
		Other, not more than two years old	
	8703.22.71	Hybrid electric vehicles	50%
	8703.22.79	Other	150%
		Other, more than two years old	
	8703.22.81	Hybrid electric vehicles	50%
	8703.22.89	Other	150%
	8703.23	Of a cylinder capacity exceeding 1,500 cc but not exceeding 3,000 cc :	
	8703.23.30	Hearses not more than two years old	150%
	8703.23.40	Hearses more than two years old	150%
		Motor cars including station wagons and racing cars of a cylinder capacity not exceeding 2,000 cc, not more than two years old:	
	8703.23.51	Hybrid electric vehicles of a cylinder capacity not exceeding 1600cc	50%
	8703.23.52	Other, of a cylinder capacity not exceeding 1,600 cc	150%
	8703.23.53	Other Hybrid electric vehicles	50%
	8703.23.59	Other	150%
		Motor cars including station wagons and racing cars of a cylinder capacity not exceeding 2,000 cc, more than two years old	
	8703.23.61	Hybrid electric vehicles of a cylinder capacity not exceeding 1600cc	50%
	8703.23.62	Other, of a cylinder capacity not exceeding 1,600 cc	150%
	8703.23.63	Other Hybrid electric vehicles	50%
	8703.23.69	Other	150%

		Motor cars including station wagons and racing cars of a cylinder capacity exceeding 2,000 cc, not more than two years old	
	8703.23.71	Hybrid electric vehicles	85%
	8703.23.79	Other	200%
		Motor cars including station wagons and racing cars of a cylinder capacity exceeding 2,000 cc, more than two years old	
	8703.23.81	Hybrid electric vehicles	85%
	8703.23.89	Other	200%
		Other	
	8703.23.91	Hybrid electric vehicles of a cylinder capacity not exceeding 2000cc, not more than two years old	50%
	8703.23.92	Other, of a cylinder capacity not exceeding 2,000 cc, not more than two years old	150%
	8703.23.93	Hybrid electric vehicles of a cylinder capacity not exceeding 2000cc, more than two years old	50%
	8703.23.94	Other, of a cylinder capacity not exceeding 2,000 cc, more than two years old	150%
	8703.23.95	Hybrid electric vehicles of a cylinder capacity exceeding 2000cc, not more than two years old	85%
	8703.23.96	Other, of a cylinder capacity exceeding 2,000 cc, not more than two years old	200%
	8703.23.97	Hybrid electric vehicles of a cylinder capacity exceeding 2,000 cc, more than two years old	85%
	8703.23.98	Other, of a cylinder capacity exceeding 2,000 cc, more than two years old	200%
	8703.24	Of a cylinder capacity exceeding 3,000 cc :	
	8703.24.30	Hearses not more than two years old	220%
	8703.24.40	Hearses more than two years old	220%
		Motor cars including station wagons and racing cars not more than two years old	
	8703.24.51	Hybrid electric vehicles	100%
	8703.24.59	Other	220%

		Motor cars including station wagons and racing cars, more than two years old	
	8703.24.61	Hybrid electric vehicles	100%
	8703.24.69	Other	220%
		Other, not more than two years old	
	8703.24.71	Hybrid electric vehicles	100%
	8703.24.79	Other	220%
		Other, more than two years old	
	8703.24.81	Hybrid electric vehicles	100%
	8703.24.89	Other	220%
		<b>Other, vehicles with compression – ignition internal combustion piston engine (diesel or semi diesel):</b>	
	8703.31	Of a cylinder capacity not exceeding 1,500 cc :	
	8703.31. 30	Hearses not more than two years old	200%
	8703.31. 40	Hearses more than two years old	200%
	8703.31. 50	Auto-trishaws not more than two year old	105%
	8703.31. 60	Auto-trishaws more than two year old	105%
		Motor cars including station wagons and racing cars, not more than two years old	
	8703.31.71	Hybrid electric vehicles	60%
	8703.31.79	Other	200%
		Motor cars including station wagons and racing cars, more than two years old	
	8703.31.81	Hybrid electric vehicles	60%
	8703.31.89	Other	200%
		Other:	
	8703.31.91	Hybrid electric vehicles, not more than two years old	60%

	8703.31.92	Other, not more than two years old	200%
	8703.31.93	Hybrid electric vehicles, more than two years old	60%
	8703.31.94	Other, more than two years old	200%
	8703.32	Of a cylinder capacity exceeding 1,500 cc: but not exceeding 2,500 cc :	
	8703.32.30	Hearses not more than two years old	220%
	8703.32. 40	Hearses more than two years old	220%
		Motor cars including station wagons and racing cars of a cylinder capacity not exceeding 2,000 cc, not more than two years old :	
	8703.32.51	Hybrid electric vehicles of a cylinder capacity not exceeding 1,600 cc	60%
	8703.32.52	Other of a cylinder capacity not exceeding 1,600 cc,	200%
	8703.32.53	Other hybrid electric vehicles	60%
	8703.32.59	Other:	220%
		Motor cars including station wagons and racing cars of a cylinder capacity not exceeding 2,000 cc, more than two years old	
	8703.32.61	Hybrid electric vehicles	60%
	8703.32.69	Other	220%
		Motor cars including station wagons and racing cars of a cylinder capacity exceeding 2,000 cc, not more than two years old:	
	8703.32.71	Vehicles for the transport of 7 or more persons (adults) including the driver, with non-monocoque body bolted on ladder type heavy duty chassis, with permanent four-wheel drive capability, and a total payload (of persons and cargo) of over 800kg.	240
	8703.32.72	Hybrid electric vehicles	85%
	8703.32.79	Other	240%
		Motor cars including station wagons and racing cars of a cylinder capacity exceeding 2,000 cc, more than two years old	
	8703.32.81	Hybrid electric vehicles	85%
	8703.32.89	Other	240%
	8703.32.91	Hybrid electric vehicles of a cylinder capacity not exceeding 2,000 cc, not more than	60%

		two years old	
	8703.32.92	Other, of a cylinder capacity not exceeding 2,000 cc, more than two years old	220%
	8703.32.94	Hybrid electric vehicles of a cylinder capacity exceeding 2,000 cc, not more than two years old	85%
	8703.32.95	Other, of a cylinder capacity exceeding 2,000 cc, not more than two years old	240%
	8703.32.96	Hybrid electric vehicles of a cylinder capacity not exceeding 2,000 cc, more than two years old	60%
	8703.32.97	Other, of a cylinder capacity not exceeding 2,000 cc, more than two years old	220%
	8703.32.98	Hybrid electric vehicles of a cylinder capacity exceeding 2,000 cc, more than two years old	85%
	8703.32.99	Other, of a cylinder capacity exceeding 2,000 cc, more than two years old	240%
	8703.33	Of a cylinder capacity exceeding 2,500 cc :	
	8703.33.30	Hearses not more than two years old	300%
	8703.33.40	Hearses more than two years old	300%
		Motor cars including station wagons and racing cars, not more than two years old	
	8703.33.51	Hybrid electric vehicles	100%
	8703.33.59	Other	300%
		Motor cars including station wagons and racing cars, more than two years old	
	8703.33.61	Hybrid electric vehicles	100%
	8703.33.69	Other	300%
		Other, not more than two years old	
	8703.33.72	Hybrid electric vehicles	100%
	8703.33.79	Other	300%
		Other, more than two years old	
	8703.33.81	Hybrid electric vehicles	100%
	8703.33.89	Other	300%

	8703.90	Other :	
	8703.90.30	Other electric, not more than two years old	20%
	8703.90.40	Other electric, more than two years old	20%
	8703.90.60	Other, more than two years old	150%
<b>87.04</b>		<b>Motor vehicles for the transport of goods.</b>	
	8704.21	Other, with compression-ignition internal combustion piston engine (diesel or semi-diesel) : g.v.w. not exceeding 5 tonnes :	
		Chassis fitted with engines and cabs	
	8704.21.32	for vehicles of national subdivision 8704.21.44, more than four years old	Rs.200,000/- per unit
	8704.21.34	for vehicles of national subdivision 8704.21.52, more than four years old	Rs.200,000/- per unit
	8704.21.36	for vehicles of national subdivision 8704.21.64, more than four years old	Rs.200,000/- per unit
	8704.21.37	for vehicles of national subdivision 8704.21.67, not more than four years old	100%
	8704.21.38	for vehicles of national subdivision 8704.21.68, more than four years old	100% or Rs.200,000/- per unit
		Vehicles with separate bodies for cabin and for cargo area, the cabin been designed for 3 persons (adults) or less, including the driver, with no additional space in the cabin that can be converted for other uses, and cargo carrying capacity of less than 2000 kg, but excluding those vehicles with an engine compartment totally protruding to the front of the vehicle from the driving cab	

	8704.21.43	Cargo carrying capacity of 800kg or more, not more than four years old	45%
	8704.21.44	Cargo carrying capacity of 800kg or more, more than four years old	45%
		Vehicles with separate bodies for cabin and cargo area, the cabin been designed for 3 persons (adults) or less, including the driver, with no additional space in the cabin that can be converted for other uses, and cargo carrying capacity of 2000 kg or more,	
	8704.21.51	Not more than four years old	50%
	8704.21.52	More than four years old	50% or Rs.200,000/- per unit
		Vehicles with separate bodies for cabin and for cargo area, the cabin been designed for 3 persons (adults) or less, including the driver, with no additional space in the cabin that can be converted for other uses, and cargo carrying capacity of less than 2000 kg,	
	8704.21.63	Vehicles fitted with front leaf sprigs and Cargo carrying capacity of 800kg or more, not more than four years old	45%
	8704.21.64	Vehicles fitted with front leaf sprigs and Cargo carrying capacity of 800kg or more, more than four years old	45%
	8704.21.65	Other Vehicles, Cargo carrying capacity of less than 800kg, not more than four years old	85%
	8704.21.66	Other Vehicles, Cargo carrying capacity of less than 800kg , more than four years old	85%
	8704.21.67	Other Vehicles, Cargo carrying capacity of 800kg or more, not more than four years old	85%
	8704.21.68	Other Vehicles, Cargo carrying capacity of 800kg or more, more than four years old	85%
		Other vehicles with separate bodies for cabin and cargo area, cabin been designed for six persons (adults) or less including the driver, with no additional space in the cabin that can be converted for other use, and a cargo carrying capacity of 800 kg or more, but	

		excluding those vehicles with an engine compartment totally protruding to the front of the vehicle from the driving cab :	
	8704.21.71	Not more than four years old	90%
	8704.21.72	More than four years old	90% or Rs.300,000/-per unit
		Other :	
	8704.21.91	Other vehicles with separate bodies for cabin and cargo area, not more than four years old	115%
	8704.21.92	Other vehicles with separate bodies for cabin and cargo area, more than four years old	115%
	8704.21.93	Other vehicles not more than four years old	85%
	8704.21.99	Other vehicles more than four years old	85%
	8704.22	g.v.w. exceeding 5 tonnes but not exceeding 20 tonnes :	
		Special purpose tankers/bowsers and trucks:	
	8704.22.12	Tankers and bowsers with stainless steel tanks for transport of milk and refrigerated trucks more than five years old	Rs.125,000/-per unit
	8704.22.14	Garbage trucks equipped with waste compacting mechanism, more than five years old	Rs.125,000/-per unit
	8704.22.15	Other, not more than five years old	50%
	8704.22.16	Other, more than five years old	50%
	8704.23	g.v.w. exceeding 20 tonnes :	
	8704.23.20	Tankers and bowsers with stainless steel tanks for transport of milk and refrigerated trucks more than five years old	Rs.125,000/-per unit

	8704.23.30	Other, not more than five years old	40%
	8704.23.40	Other, more than five years old	55%
		Other, with spark-ignition internal combustion piston engine :	
	8704.31	g.v.w. not exceeding 5 tonnes :	
		Chassis fitted with engines and cabs	
	8704.31.32	for vehicles of national subdivision 8704.31.44, more than four years old	Rs.200,000/-per unit
	8704.31.34	for vehicles of national subdivision 8704.31.52, more than four years old	Rs.200,000/-per unit
	8704.31.36	for vehicles of national subdivision 8704.31.64, more than four years old	Rs.200,000/-per unit
	8704.31.37	for vehicles of national subdivision 8704.31.67, not more than four years old	100%
	8704.31.38	for vehicles of national subdivision 8704.31.68, more than four years old	100% or Rs.200,000/-per unit
		Vehicles with separate bodies for cabin and for cargo area, the cabin been designed for 3 persons (adults) or less, including the driver, with no additional space in the cabin that can be converted for other uses, and cargo carrying capacity of less than 2000 kg, but excluding those vehicles with an engine compartment totally protruding to the front of the vehicle from the driving cab	
	8704.31.43	Cargo carrying capacity of 800kg or more, not more than four years old	45%
	8704.31.44	Cargo carrying capacity of 800kg or more, more than four years old	45%
		Vehicles with separate bodies for cabin and cargo area, cabin been designed for three persons (adults) or less, including the driver with no additional space in the cabin that	

		can be converted for other uses and cargo carrying capacity of 2000 kg or more:	
	8704.31.51	Not more than four years old	50%
	8704.31.52	More than four years old	50% or Rs.200,000/-per unit
		Vehicles with separate bodies for cabin and for cargo area, the cabin been designed for 3 persons (adults) or less, including the driver, with no additional space in the cabin that can be converted for other uses, and cargo carrying capacity of less than 2000 kg,	
	8704.31.63	Vehicles fitted with front leaf springs and Cargo carrying capacity of 800kg or more, not more than four years old	45%
	8704.31.64	Vehicles fitted with front leaf springs and Cargo carrying capacity of 800kg or more, more than four years old	45%
	8704.31.65	Other Vehicles, Cargo carrying capacity of less than 800kg, not more than four years old	85%
	8704.31.66	Other Vehicles, Cargo carrying capacity of less than 800kg , more than four years old	85%
	8704.31.67	Other Vehicles, Cargo carrying capacity of 800kg or more, not more than four years old	85%
	8704.31.68	Other Vehicles, Cargo carrying capacity of 800kg or more, more than four years old	85%
		Other vehicles with separate bodies for cabin and cargo area, cabin been designed for six persons (adults) or less including the driver, with no additional space in the cabin that can be converted for other use, and a cargo carrying capacity of 800 kg or more, but excluding those vehicles with an engine compartment totally protruding to the front of the vehicle from the driving cab :	

	8704.31.71	Not more than four years old	90%
	8704.31.72	More than four years old	90% or Rs.300,000/-per unit
		Other :	
	8704.31.91	Vehicles with separate bodies for cabin and cargo area, not more than four years old	115%
	8704.31.92	Vehicles with separate bodies for cabin and cargo area, more than four years old	115%
	8704.31.93	Other not more than four years old	85%
	8704.31.99	Other more than four years old	85%
	8704.32	g.v.w. exceeding 5 tonnes :	
	8704.32.12	Tankers and bowsers with stainless steel tanks for transport of milk, more than five years old	Rs.115,000/-per unit
	8704.32.14	Garbage trucks equipped with waste compacting mechanism, more than five years old	Rs.115,000/-per unit
	8704.32.15	Other, not more than five years old	60%
	8704.32.16	Other, more than five years old	60%
	8704.90	Other :	
	8704.90.30	Other electric, not more than five old	20%
	8704.90.40	Other electric, more than five years old	20% or Rs.109,000/-per

			unit
	8704.90.50	Other, not more than five years old	95%
	8704.90.60	Other, more than five years old	95% or Rs.200,000/-per unit
<b>87.05</b>		<b>Special purpose motor vehicles, other than those principally designed for the transport of persons or goods (for example, breakdown lorries, crane lorries, fire fighting vehicles, concrete mixer lorries, road sweeper lorries, spraying lorries, mobile workshops, mobile radiological units)</b>	
		Mobile workshops	
	8705.90.11	Not more than seven years old	85%
	8705.90.12	More than seven years old	85%
<b>87.06</b>	<b>8706.00</b>	<b>Chassis fitted with engines, for the motor vehicles of heading 87.01 to 87.05 :</b>	
	8706.00.50	Used chassis fitted with engines	Rs.480,000/= per unit
<b>87.07</b>		<b>Bodies (including cabs), for the motor vehicles of headings 87.01 to 87.05.</b>	
	8707.10	For the vehicles of heading 87.03	Rs.625,000/= per unit
	8707.90	Other :	
	8707.90.10	Bodies and cabs incorporating attachments left over in the process of separating same from the main vehicle by cutting, but not meriting classification elsewhere by virtue of those left over attachments	Rs.625,000/= per unit
<b>87.08</b>		<b>Parts and accessories of the motor vehicles of headings 87.01 to 87.05.</b>	
		Other parts and accessories of bodies (including cabs) :	
	8708.29	Other :	
	8708.29.10	"Cut-portions" of bodies and cabs	Rs.225,000/= per cut portion
		Other parts and accessories :	

	8708.99	Other :	
	8708.99.40	“Cut-portions” of motor vehicles	Rs.225,000/= per cut portion
<b>87.11</b>		<b>Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars ; side-cars</b>	
	8711.10	With reciprocating internal combustion piston engine of a cylinder capacity not exceeding 50 cc ;	
	8711.10.10	Not more than three years old	90%
	8711.10.20	More than three years old	90%
	8711.20	With reciprocating internal combustion piston engine of a cylinder capacity exceeding 50 cc but not exceeding 250 cc :	
	8711.20.10	Exceeding 50 cc but not exceeding 200 cc. not more than three years old	90%
	8711.20.20	Exceeding 50 cc but not exceeding 200 cc more than three years old	90%
	8711.20.30	Other, not more than three years old	90%
	8711.20.40	Other, more than three years old	90%
	8711.30	With reciprocating internal combustion piston engine of a cylinder capacity exceeding 250 cc but not exceeding 500 cc ;	
	8711.30.10	Exceeding 250 cc but not exceeding 350 cc not more than three years old	90%
	8711.30.20	Exceeding 250 cc but not exceeding 350 cc more than three years old	90%
	8711.30.30	Exceeding 350 cc but not exceeding 450 cc not more than three years old	90%
	8711.30.40	Exceeding 350 cc but not exceeding 450 cc more than three years old	90%
	8711.30.50	Other, not more than three years old	130%
	8711.30.60	Other, more than three years old	130%
	8711.40	With reciprocating internal combustion piston engine of a cylinder capacity exceeding 500 cc but not exceeding 800 cc	
	8711.40.10	Not more than three years old	130%
	8711.40.20	More than three years old	130%
	8711.50	With reciprocating internal combustion piston engine of a cylinder capacity exceeding 800 cc	
	8711.50.10	Exceeding 800 cc but not exceeding 1000 cc, not more than three years old	130%
	8711.50.20	Exceeding 800 cc but not exceeding 1000 cc, more than three years old	130%
	8711.50.30	Other not more than three years old	130%
	8711.50.40	Other more than three years old	130%

**Schedule II**  
**Applicability of concessionary rate of Excise Duty**

No. I	Description II	Excise Duty III
1	Import of motor vehicles or purchase of locally manufactured motor vehicles;	
	(a) by a Sri Lankan diplomatic officer who serves in missions abroad under the Ministry of External Affairs Circular No. 210 of 28.05.2012 and subsequent amendments	35%
	(b) by a public officer under the Public Administration Circular No. 22/99 of 08.10.1999 and subsequent amendments	40%
	(c) by any person who is recommended by the President of the Democratic Socialist Republic of Sri Lanka rendered distinguished service to the country or awarded to such persons	45%
	(d) by a primary holder of Sri Lanka Nation Building Bond (SLNBB) under the circular dated 01.04.2006 issued by the Secretary to the Treasury on Concessionary duties and taxes	30%
	(e) by a Member of Parliament under a permit of concessionary terms	20%
	(f) by a public officer under the Trade and Investment Policy Circular No. 01/2013 of 02.08.2013 and subsequent amendments	As per the rates specified in the circular
	(g) by a Head/Deputy Head of Local Authorities under the Local Government and Provincial Councils Circular No. 01/2011 of 15.02.2011 and subsequent amendments	As per the rates specified in the circular
	(h) by a member of a Provincial Council under the Local Government and Provincial Councils Circular No. 01/2013 of 02/01/2013 and by the Governor of a Provincial Council on concessionary terms	35%
	(i) as an assigned vehicle for the Mayor of a Municipal Council where Cost Insurance Freight (CIF) value does not exceed Rs. 05 Mn	45%
	(j) by an individual tax payer who has compliance in terms of the provisions of Section 2(1)(b)(i) and (ii) of the Finance Act No. 11 of 2006 and subsequent amendments	75% of the rate specified in Column IV of the Schedule I
	(k) for projects or activities of national interest bringing economic and social benefits to the country under concessionary terms granted by the Minister in charge of the subject of Finance	50% of the rate specified in Column IV of the Schedule I

2	Locally assembled/ manufactured vehicle using new vehicle components containing not less than 30% of domestic value addition recommended by the Minister-in-charge of the subject of Industries.  However, with respect to HS code 87.03, this rate is applicable only for the vehicles classified under the HS Codes specified in the Schedule III, subject to the condition stipulated above.	15%
3	Hearse imported by registered funeral undertakers, subject to the approval of the Secretary to the Treasury	45%
4	Import of a motor vehicle with engine capacity not less than 1450cc by any Airport Taxi Operator who holds a valid permit issued by the Airport and Aviation Services (Sri Lanka) Ltd., for the replacement of a motor vehicle which is being used for the transportation of air passengers from and to airports and which has been so used for not less than five years, as approved by the Secretary to the Ministry in charge of subject of Airports.	
	(a) For an unregistered vehicle	40% of the rate specified in Column IV of the Schedule I
	(b) For a used vehicle	50% of the rate specified in Column IV of the Schedule I

### Schedule III

#### Petrol Vehicles:

<i>H.S. Hdg.</i> (1)	<i>H.S. Code</i> (2)	<i>Description</i> (3)
<b>87.03</b>		<b>Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars</b>

	8703.21	Of a cylinder capacity not exceeding 1,000 cc:
		Motor cars including stations wagons and racing cars, not more than two years old
	8703.21.69	Other
	8703.22	Of a cylinder capacity exceeding 1,000 cc but not exceeding 1,500 cc :
		Motor cars including station wagons and racing cars, not more than two years old
	8703.22.59	Other
	8703.23	Of a cylinder capacity exceeding 1,500 cc but not exceeding 3,000 cc :
		Motor cars including stations wagons and racing cars of a cylinder capacity not exceeding 2,000 cc, not more than two years old
	8703.23.52	Other, of a cylinder capacity not exceeding 1,600 cc

**Diesel Vehicles:**

<i>H.S. Hdg.</i> (1)	<i>H.S. Code</i> (2)	<i>Description</i> (3)
	8703.31	Of a cylinder capacity not exceeding 1,500 cc :
	8703.31.70	Motor cars including stations wagons and racing cars, not more than two years old
		Motor cars including station wagons and racing cars of a cylinder capacity not exceeding 2,000 cc, not more than two years old
	8703.32.51	Of a cylinder capacity not exceeding 1,600 cc
	8703.32.59	Other
		Motor cars including stations wagons and racing cars of a cylinder capacity exceeding 2,000 cc, not more than two years old
	8703.32.71	Vehicles for the transport of 7 or more persons (adults) including the driver, with non-monocoque body bolted on ladder type heavy duty chassis, with permanent four-wheel drive capability, and a total payload (of persons and cargo) of over 800 kg.
	8703.32.79	Other