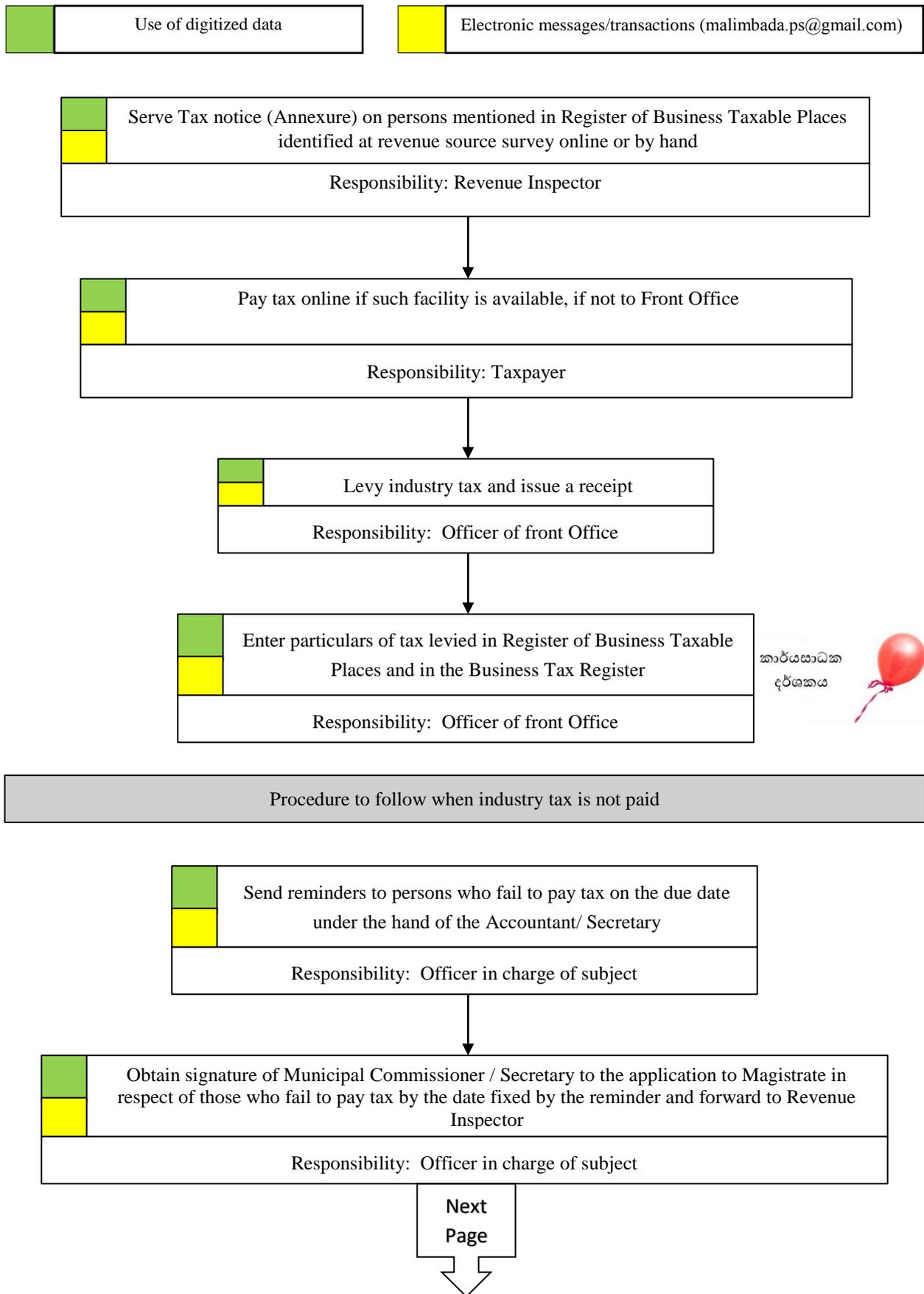


## 10. Collection of Industry Tax – Flow Chart



From previous Page



	File the application in the Magistrate courts and enter data thereon in the case file
	Responsibility: Revenue Inspector



	Appear in the courts on the day of trial
	Responsibility: Revenue Inspector



	Make Order to pay the industry tax due as a penalty
	Responsibility: Magistrate



	Collect the industry tax and issue a receipt
	Responsibility: Revenue Inspector



	Report details of collection of business tax to Officer in charge of subject and enter court determination in the case file
	Responsibility: Revenue Inspector



	Enter details of collection of the business tax in Register of Business Taxable Places and Business Tax Register
	Responsibility: Officer in charge of subject

Performance Indicators



## 10. Collection of Industry 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 industry within the limits of the local authority. Accordingly, any local authority may impose and levy a tax on any industry carried on within the limits of the local authority.
- (b) In the case of a place where the manufacture and sale of any goods or materials or buying and selling any goods or materials is carried on and such place is not required by any By-law to obtain a license, such industry or trade will be subject to this tax.

### 2. Applicable Legislation

- (a) Section 247A of the Municipal Council Ordinance (Chapter 252);
- (b) Section 165A of the Urban Council Ordinance (Chapter 255): and
- (c) Section 147 of the Pradeshiya Sabha Act, No. 15 of 1987/1987.

### 3. Eligibility

Any person who is not required to obtain a license under the provisions of a by-law and is engaged in the business of selling goods or materials is liable to pay this tax.

### 4. Fee

- (a) The amount of tax varies according to the annual value of the place where the industry is carried on.
- (b) The annual value of the place where the industry is carried on -
- (i) when the place is situated within the limits of a Municipal Council: -

<u>The annual value of the place</u>	<u>The amount of Tax</u>
Does not exceed Rs. 1,500.00	Rs. 2000.00
Exceeds Rs. 1,500.00 but does not exceed Rs. 2,500.00	Rs. 3,000.00
Exceeds Rs. 2,500.00	Rs. 5,000.00

- (ii) when the place is situated within the limits of an Urban Council or Pradeshiya Sabha: -

<u>The annual value of the place</u>	<u>The amount of Tax</u>
Does not exceed Rs. 750.00	Rs. 500.00
Exceeds Rs. 750.00 but does not exceed Rs. 1,500.00	Rs. 750.00

Exceeds Rs. 1,500.00

Rs. 1,000.00

## 5. Documents to be submitted

Industry Tax Notice issued by the Municipal Commissioner / Secretary in the format in Annexure hereof

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 an industry of the nature aforesaid and the address of the place where he is carrying on the industry.

## 6. Procedure to Collect Industry Tax

Procedure	Duration	Responsibility
Serve Tax notice (Annexure) on persons mentioned in the Register of Industry Taxable Places identified at revenue source survey	Before 31 <sup>st</sup> March every year	Revenue Inspector
Pay tax online if it is possible to pay through internet facility unless pay to Front Office	Before the expiry of 7 days from the date of the notice	Taxpayer
Levy tax and issue receipt	On the day itself	Officer of Front Office
Enter details of tax collected in the Register of Industry Taxable Places and Industry Tax Register	On the day itself	Officer of Front Office

## 7. Legal Consequences of Non-Payment of Industry Tax

Procedure	Duration	Responsibility
Send reminders to persons who fail to pay tax on 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 reminder	Officer in charge of subject
File the application in the Magistrate courts and enter data in the case file	Immediately upon receiving the signed application	Revenue Inspector
Appear in the courts	On the day as notified by Court Registrar	Revenue Inspector
Make an order to charge the taxes due as a penalty		Magistrate

<b>Procedure</b>	<b>Duration</b>	<b>Responsibility</b>
Charge the tax and issue a receipt	Once the court declares its order	Nominated Officer under the supervision of Revenue Inspector
Report details of recovering the business tax to Officer in charge of subject and enter court determination in the case file	On the day itself	Revenue Inspector
Enter particulars of tax levied in Register of industry Taxable Places and in the Industry Tax Register	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**  
**Industry Tax Notice for the year 20.....**



My No.: .....  
On this ....day of .....20 ..

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

Dear Sir/Madam,

**Industry Tax Notice for the Year 20....**

It is hereby notified that the Municipal Council by virtue of the powers vested in it under Section 247C 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 industry for which no license is necessary under the provisions of the Ordinance/Act, in the year 20...., a tax according to the annual value of the place of industry and that the tax should be paid to the ..... Municipal/Urban Council/Pradeshiya Sabha before April 30<sup>th</sup>, 20.....

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

Of the Industry:

- (a) Name: .....
- (b) Nature: .....
- (c) The annual value of the premises (estimated annual value): 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 Section 247B of the Municipal Council Ordinance / Paragraph (3) of Section 165A of the Urban Council Ordinance/ Paragraph (4) 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 30<sup>th</sup> April, 20.....

Yours Sincerely,

.....

Municipal Commissioner/Secretary

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

