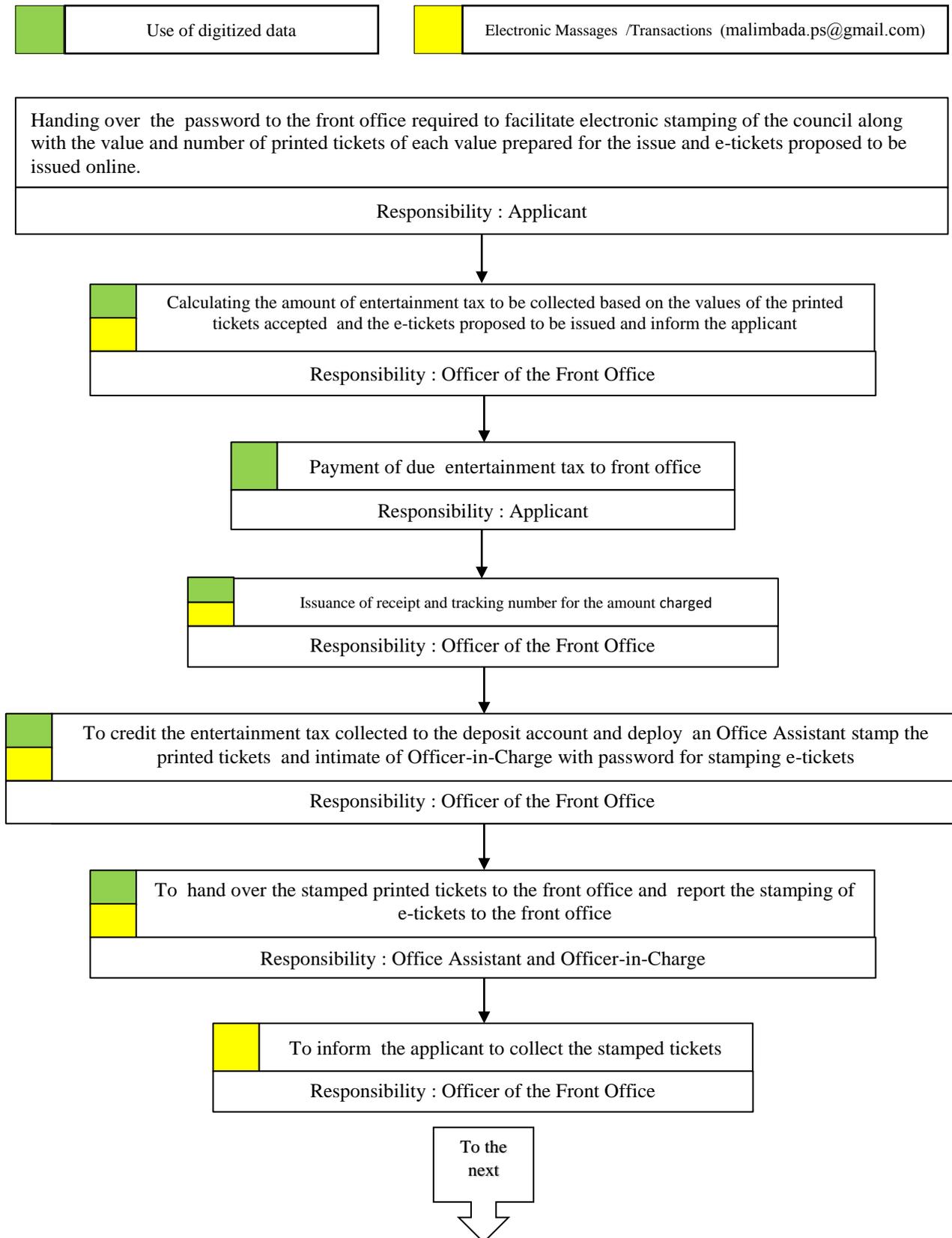


## 17 (1). To charge Entertainment Tax - Flow Chart



From the previous page

To inform the applicant to collect the stamped tickets  
Responsibility : Officer of the Front Office

To settle the entertainment tax collected or claim the remaining amount of entertainment tax  
Responsibility : Applicant

Issue a tracking number to the applicant and forward the request to the officer concerned  
Responsibility : Officer of the Front Office

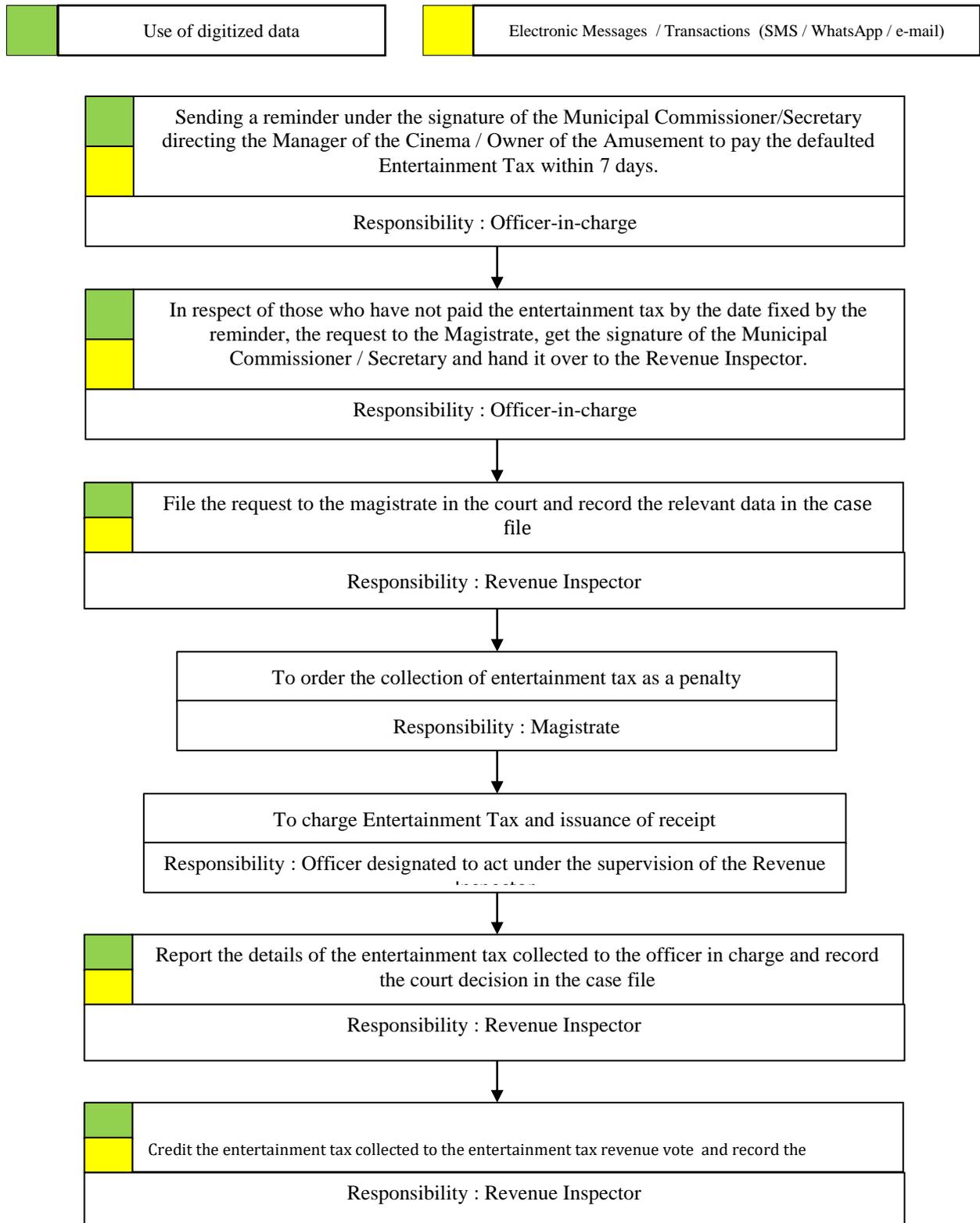
In the case of a cinema, accounting for the previous month from the amount of entertainment tax collected or in the case of a show, paying the value of unsold tickets to the organizer  
Responsibility : Officer-in-charge of the Office

Adjustments to Deposit Account and Entertainment Tax Income Vote  
Responsibility : Officer of the Front Office

Performance Indicator



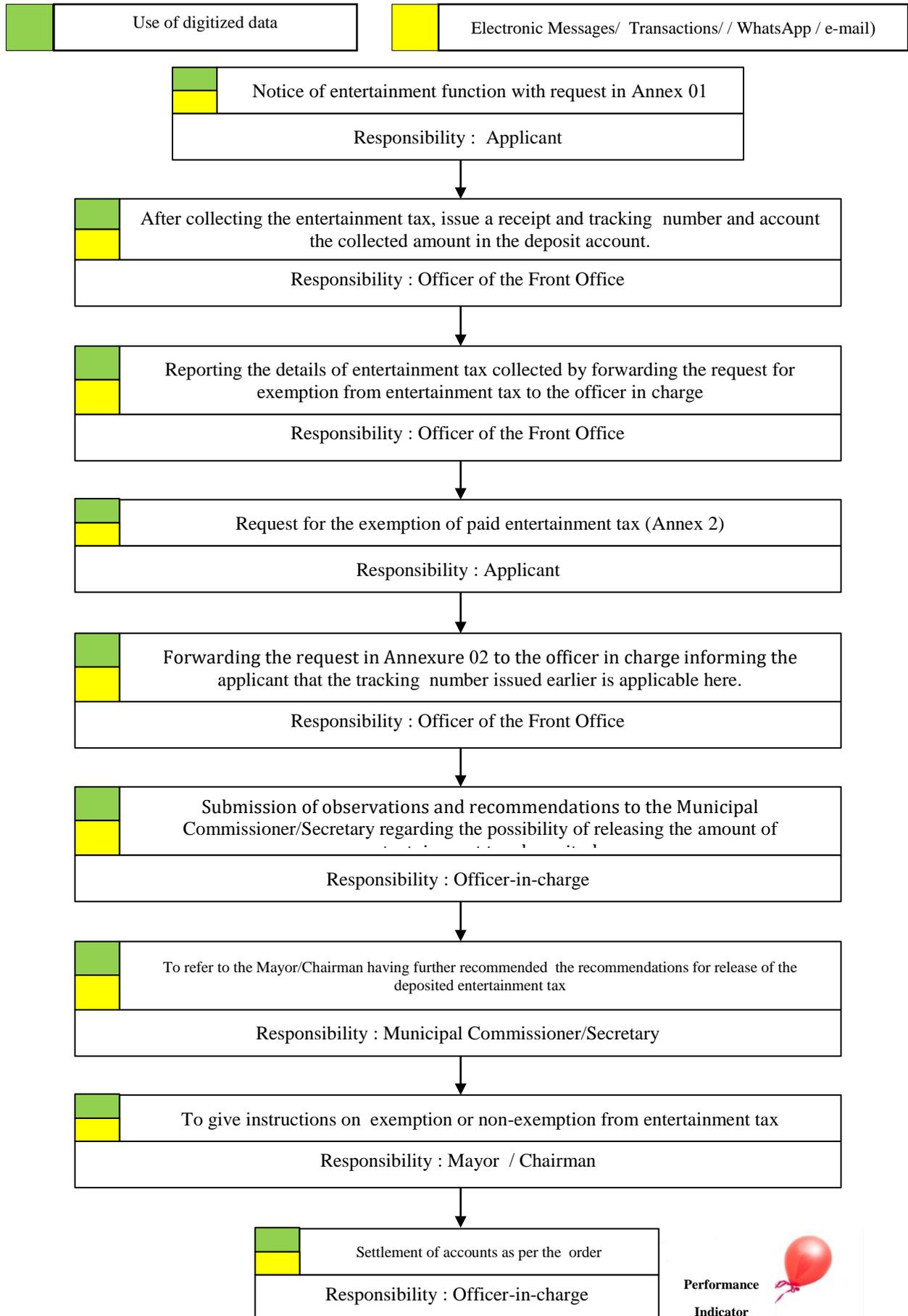
## 17 (2). Procedure in case of default in payment of entertainment tax – Flow Chart



Performance  
Indicator



### 17 (3). Exemption from entertainment tax – Flow Chart



## **17. Collection and Exemption of Entertainment Tax**

### **1. Introduction**

Powers vested in Parliament under Article 148 of the Constitution to impose a tax, under the power vested in Parliament to delegate by law to any other authority, local authorities are empowered by the Entertainment Tax Ordinance to levy an amount of money equal to a certain percentage of the ticket fee issued to enter people for any entertainment activity carried out within a local authority area as entertainment tax. The determined entertainment tax to be levied by a local authority under this shall come into effect from the date it is approved by the Minister and published in the Gazette. However, the following entertainment activities will not be subject to such entertainment tax.

- a) Entertainment shows conducted for the welfare of members of the armed forces (army, navy or air) or their families.
- b) An apprentice's first ten concerts in a territory of local government.
- c) Stage dramas and puppet shows.

Note :

1. Where separate charges are levied for access to the place where an amusement is held and for the amusement performed inside, each such charge shall be subject to entertainment tax.
2. In the event that charges are levied online or otherwise for any entertainment function without printed tickets, such entertainment tax shall be paid at the rate commensurate with the amount charged.
3. In case of self-operated or self-operated machines or any other activity for which charges are levied, those charges will also be subject to entertainment tax.
4. Any of the above-mentioned apprentice should confirm by a certificate issued by the Chairman of the Ceylon Arts Council if his area of residence is in Colombo District, or by the Divisional Secretary of his area of residence if he is a resident of any other area that he is an apprentice and the number of concerts he has conducted so far does not exceed ten.

### **2. Legal Authority**

Entertainment Tax Ordinance (Chapter 267)

### **3. Charges (Tax)**

An amount equal to the percentage determined by the local government by resolution, approved by the Minister and published in the Gazette.

Note :

1. The amount of entertainment tax collected should first be deposited in the deposit account of the council.
2. Once the completion of the entertainment function, after submitting the balance of the stamped tickets, the amount of entertainment tax for the tickets sold shall be calculated and the said amount shall be refunded to the revenue of the council and the balance shall be refunded to the organizer and the total amount deposited should be adjusted to the deposit account.

3. This method is not applicable for cinema screenings which are regularly held in any cinema, and the income should be collected directly by collecting the entertainment tax continuously for the coming months.

**4. Procedure to be followed by the taxable person**

- a) The printed tickets of each value (Applicable to all places where charges are levied within the place of entertainment) shall be submitted to the Administrative Head of the Local Government and sealed with his frank. (This request should be accompanied by a photocopy of the original receipt issued by the owner or manager of the press where the tickets were printed and a separate certificate issued by him confirming the quantity of tickets of each value printed.)
- b) In case tickets are sold online or in any other manner, it shall be confirmed to the satisfaction of the Head of Administration of the local government body and for each such e-ticket, the manager of an entertainment organization or cinema should act to enter an electronic code (QR Code) unique to the local government body for the satisfaction of the head of administration of the local government body.
- c) The amount subject to entertainment tax should be deposited in the council on the value of all tickets that are stamped or issued online.

Note : A person requesting exemption from entertainment tax must also deposit the amount of entertainment tax under this in the council.

**5. Procedure for charging entertainment tax**

<b>Procedure</b>	<b>Duration</b>	<b>Authority</b>
1. Submission of printed tickets ready for issue of each denomination to the Front Office 2. Providing the password required for e-stamping along with the values and number of e-tickets proposed to be issued online	1. In the event of Cinema at least three days prior to the end of the sealed tickets. 2. Three days prior to the start of an amusement	Applicant
Calculating the amount of entertainment tax to be charged based on the value of accepted tickets and e-tickets and informing the applicant	At the time of receipt of tickets	Officer of the Front Office
Payment of entertainment tax due to front office	As soon as the amount due is announced	Applicant
Issuance of receipt and tracking number for entertainment tax collected	Immediately after payment	Officer of the Front Office

<b>Procedure</b>	<b>Duration</b>	<b>Authority</b>
1. Credit the entertainment tax collected to the deposit account and employ an office assistant to stamp the printed tickets. 2. To intimate Officer-in-Charge with password for electronic stamping of e-tickets.	As soon as the receipt is issued	Officer of the Front Office
1. Stamp the printed tickets and hand them over to the front office 2. To e-stamp the e-tickets and report the same to the front office	The day after the date of receipt of tickets	1. Office Assistant deployed.  2. Officer-in-charge of the Subject
To intimate the applicant to carry the stamped printed tickets	As soon as it is reported that the tickets have been sealed	Officer of the Front Office
Handing over the sealed tickets to the applicant and obtaining signatures	Immediately after the applicant arrives	Officer of the Front Office
To settle the entertainment tax charged or to claim the balance of the entertainment tax charged	1. In case of a cinema hall, the demand for payment of entertainment tax is immediately after the end of each month 2. In the case of an entertainment show, before the expiry of one month from the date of completion of the amusement	Applicant
Issue a tracking number to the applicant and forward the request to the officer concerned	Immediately after the receipt of request	Officer of the Front Office
1. To account for the previous month's tax from the entertainment tax collected from the cinema hall 2. To pay the value of unsold tickets to the Organizer out of the entertainment tax collected for the amusement	Within two days from the date of submission of the request	Officer-in-charge
Adjustments to Deposit Account and Entertainment Tax Revenue Vote	Within two days from the date of submission of the request	Officer-in-charge

Note : 1. The applicant means the owner or manager in the case of a cinema, and in the case of any other entertainment, the owner or organizer or any representative authorized by him in writing.

2. It shall be the duty of the Municipal Commissioner / Secretary to take necessary measures to prevent misuse of the password introduced by the organizer for stamping of e-tickets.

## 6. Consequences of non-payment of tax

Procedure	Duration	Authority
☉ Sending a reminder under the signature of the Municipal Commissioner/Secretary to the Manager of Cinema /Organizer of Amusement to pay the defaulted entertainment tax within 7 days.	The day after the due date of Entertainment Tax	Officer-in-charge
In respect of those who have not paid the entertainment tax as reminded the request to the Magistrate should be handed over to the Revenue Inspector with the signature of the Municipal Commissioner/Secretary.	Immediately after the expiration date fixed by the reminder.	Officer-in-charge
File the request to the magistrate in the court and record the relevant data in the case file	Immediately after the receipt of signed request	Revenue Inspector
Appearing the court	On the date notified by the Registrar of the Court	Revenue Inspector
Issuance of order to charge entertainment tax as penalty		Magistrate
Collection of entertainment tax and issuance of receipt	Once the publication of court decision	Officer designated to act under the supervision of the Revenue Inspector
Report the details of the entertainment tax collected to the Officer-in-charge and record the court decision in the case register	On the same day	Revenue Inspector
Entering collected entertainment tax details in the entertainment tax register	Within 2 days from the date of receipt of Revenue Inspector's report	Officer-in-charge

## 7. Exemption from the entertainment tax.

- (a) If the net proceeds of any amusement function conducted for which fees are charged, are applied to any charitable cause and only if the saved amount is forty percent (40%) or more of the total cost, exemption of the entertainment tax collected may be considered. It shall be the applicant's responsibility to ensure that the remainder of the money earned from the amusement is fully used for charitable purposes.
- (b) Any person who requires the Organizers to exempt from entertainment tax any amusement function for which admission is charged, a request may be made to the Mayor/Chairman along with a calculation sheet prepared as per the specimen in Annex No. 01 hereto. However, an amount equal to the entertainment tax calculated according to paragraph 4 above should be deposited in the council. A calculation report as shown in Annex No. 02 hereto shall be submitted to the Mayor/Chairman before thirty days of the completion of the entertainment activities. The entertainment tax deposited in the council is refunded only when there is provision for exemption from entertainment tax.

## 8. Procedure for Exemption from Entertainment Tax

Procedure	Duration	Authority
Notice of entertainment function with request in Annexure 01		Applicant
After collecting the entertainment tax, issue a receipt and tracking number and account the collected amount in the deposit account.	The same day the request is received	Officer of the Front Office
Reporting the details of entertainment tax collected by forwarding the request for exemption from entertainment tax to the Officer-in-charge	The same day the request is received	Officer of the Front Office
Requesting release of entertainment tax amount deposited with calculation in Annex No. 02	Before the expiry of thirty days from the date of completion of the entertainment work	Applicant
Forwarding the request in Annex 02 to the Officer-in-charge informing that the same number issued in Annex01 is applicable.	Immediately after the request	Officer of the Front Office
To notify to the Municipal Commissioner/Secretary with observations on the possibility of releasing the amount of entertainment tax deposited	Within two days of receiving the request	Officer-in-charge
To further recommend and submit to the Mayor/Chairman the recommendation for release of the deposited entertainment tax amount	Within two days of receiving the observation report	Municipal Commissioner /Secretary
Issuance of orders for refund or non-refund of entertainment tax deposited	Within two days of receiving the recommendation report	Mayor/Chairman
When the deposited entertainment tax is refundable to release the relevant amount from the deposit account	Within seven days from the request	Officer-in-charge
In the event that the deposited entertainment tax amount cannot be released, inform the organizer of the same and cancel the unsold tickets with the sub-sheet and to settle the accounts by release the corresponding amount to the organizer and transfer the balance in the deposit account to the entertainment tax revenue account.	Within seven days from the order	Officer-in-charge

Note : Applicant means, in the case of a cinema, its owner or manager, and in the case of any other entertainment, the owner or any representative authorized by him.

Annex 01

Estimate of Revenue and Expenditure from Amusement

1. Particulars of the Organizer:

(a) Applicant's

Full Name: .....

Address: .....

National Identity Card No. : .....

Telephone : (Mobile) ..... (Residence) .....

E-mail Address : ..... @ ..... .com

(b) Organizer's / Organizations' -

Name. ....

.

Address. ....

National Identity Card No. (When not an organization): .....

Telephone No: (Mobile) ..... (Residence) .....

E-mail address: ..... @ ..... .com

2. Particulars of amusement :

The nature of the Amusement : .....

Venue of the Amusement : .....

The date/period of the Amusement :

On the .....

From ..... to .....

3. Information on proposed charity and donation:

(a) Charitable causes for which proceeds from entertainment are used: .....

(b) Information about the charitable Institution / person:

Name: .....

.

Address: .....

National Identity Card No. (When not an institution or organization): .....

Telephone No.: (Mobile) ..... (Residence) .....

E-mail address: ..... @ .....com

4. Information on expected revenue and expenditure from tickets (Estimated):

Value of tickets (A)	Number of tickets reserved to be printed or issued online(B)	Expected Revenue (A x B)
Rs. ....	.....	- Rs. ....
Rs. ....	.....	- Rs. ....
Rs. ....	.....	- Rs. ....
Rs. ....	.....	- Rs. ....
Rs. ....	.....	- Rs. ....
Rs. ....	.....	- Rs. ....
Rs. ....	.....	- Rs. ....
		Total Revenue:Rs. <u>.....</u>

=

Total administrative functions (Mention separately):Rs. ....

Balance : Rs. .....

=

I do hereby certify that the above particulars are true and correct. I acknowledge that in case of violation of the provisions of the Entertainment Tax Ordinance, I shall lose my right to release the amount of entertainment tax deposited in the Council. I understand that the decision of the Mayor/Chairman regarding the terms and conditions relating to exemption from entertainment tax is final. I also agreed that the officer concerned will be provided with the necessary facilities during the entertainment function, when requested by an authorized officer of the Council, to check the counterfoils of the issued tickets and remaining tickets (ticket with the counterfoil) and the online data of the issued tickets and unsold tickets and to check the portion of the tickets held by those admitted to the amusement. Kindly request that the above entertainment activities be exempted from entertainment tax.

Name and Signature of the Organizer :

Name ..... Signature : .....

Date : ..... 20

Estimate of Revenue and Expenditure derived from Amusement

Particulars of the Organizer:

(a) Applicant's

Full Name: .....  
Address: .....  
National Identity Card No. : .....  
Telephone : (Mobile) ..... (Residence) .....  
E-mail Address : ..... @ ..... .com

(b) Organizer's / Organizations' -

Name. ....  
. .  
Address. ....  
National Identity Card No. (When not an organization): .....  
Telephone No: (Mobile) ..... (Residence) .....  
E-mail address: ..... @ ..... .com

2. Information about amusement:

Nature of the amusement: .....  
Venue of the amusement : .....  
Date/Period of holding the amusement :  
On ..... 20.  
From ..... 20 to ..... 20

3. Information on charity and donation:

(a) Charitable causes that use the proceeds of entertainment: .....

(b) Information about the charitable Institution / person:

Name: .....  
. .  
Address: .....  
National Identity Card No. (When not an institution or organization): .....  
Telephone No.: (Mobile ) ..... (Residence) .....  
E-mail address: ..... @ ..... .com

4. Details of revenue and expenditure from tickets (estimated)

<u>Value (A)</u>	Number of tickets		<u>Revenue (A x C)</u>
	<u>Printed / Online Prepared (B)</u>	<u>Sold (C)</u>	
Rs. ....	..... -	.....	- Rs. ....
Rs. ....	..... -	.....	- Rs. ....
Rs. ....	..... -	.....	- Rs. ....
Rs. ....	..... -	.....	- Rs. ....
Rs. ....	..... -	.....	- Rs. ....
Rs. ....	..... -	.....	- Rs. ....
Rs. ....	..... -	.....	- Rs. ....
		Total income :	Rs. <u>..... +</u>
Administrative expenditures incurred (mention separately):			Rs. ....
..... -			
		Balance :	Rs. <u>.....</u>
The amount of entertainment tax deposited in the council			Rs. ....
Amount used for charity			Rs. ....

I do hereby certify that the above particulars are true and correct. I acknowledge that in case of violation of the provisions of the Entertainment Tax Ordinance, I shall lose my right to release the amount of entertainment tax deposited in the Council. I understand that the decision of the Mayor/Chairman regarding the terms and conditions relating to exemption from entertainment tax is final.. The receipt confirming that the balance amount of (Rs. ....) Rupees ..... after deducting the expenses from the income of the amusement, was used for the above charity work which is attached herewith. Kindly request that the above entertainment activities be exempted from entertainment tax.

Name and Signature of the Organizer :

Name ..... Signature : .....

Date : ..... 20

