



**PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA**

NATION BUILDING TAX (AMENDMENT)

A

BILL

to amend the Nation Building Tax Act, No. 9 of 2009

Presented by the Minister of Finance on 20th of August, 2019

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Ordered by Parliament to be printed

[Bill No. 294]

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STATEMENT OF LEGAL EFFECT

Clause 2: This clause amends section 3 of the Nation Building Tax Act, No. 9 of 2009 (hereinafter referred to as the “principal enactment”) and the legal effect of the section as amended is to limit the period of exemption granted to certain cigarettes identified under Harmonized Commodity Description and Coding Numbers.

Clause 3: This clause amends the First Schedule to the principal enactment and the legal effect of the section as amended is to make provisions to-

- (a) limit the period of exemption granted to cigarettes identified under Harmonized Commodity Description and Coding Numbers;
- (b) revise the existing criteria of exemptions relating to gems exported;
- (c) extend the exemption to importation of certain new articles; and
- (d) limit the period of exemption granted to certain services.

Nation Building Tax (Amendment)

L.D.—O. 9/2019

AN ACT TO AMEND THE NATION BUILDING TAX ACT, NO. 9 OF 2009

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

1. This Act may be cited as the Nation Building Tax (Amendment) Act, No. of 2019, and shall be deemed to have come into operation on July 1, 2019, unless different dates of operation are specified hereunder.

Short title and date of operation.

2. Section 3 of the Nation Building Tax Act, No. 9 of 2009 (hereinafter referred to as the “principal enactment”) as last amended by Act, No. 20 of 2018, is hereby further amended in subparagraph (12) of paragraph (iv) of subsection (2), by the substitution for the words “importer himself; and”, of the words and figures “importer himself, prior to July 1, 2019 ; and”.

Amendment of section 3 of Act, No. 9 of 2009.

3. The First Schedule to the principal enactment as last amended by Act, No. 20 of 2018 is hereby further amended as follows:—

Amendment of the First Schedule to the principal enactment.

(1) in PART I of that Schedule -

(a) in item (XLIX) thereof, by the substitution for the words “cigarettes identified”, of the words and figures “for any period commencing prior to July 1, 2019, cigarettes identified”;

(b) by the substitution for item (LIV) thereof, of the following item:-

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5 “(LIV) importation of gem stones by a person registered with the National Gem and Jewellery Authority, for the purpose of re-exporting such gems upon being cut and polished;”;

(c) in item (LV) thereof, by the substitution for the words “the subject of Agriculture.”, of the words “the subject of Agriculture;”;

10 (d) by the insertion immediately after item (LV) thereof, of the following new items:-

15 “(LVI) palm oil manufactured locally out of imported palm oil subjected to the Special Commodity Levy charged under the Special Commodity Levy Act, No. 48 of 2007;

(LVII) importation of Lucerne (alfalfa) meal and pellets; and

20 (LVIII) importation of yachts and other vessels for pleasure or sports, rowing boats and canvas as classified under the HS Code of 8903.91.00.”;

25 (2) in PART II of that Schedule -

(a) in item (vii) thereof-

30 (i) in paragraph (c), by the substitution for the words “a construction contractor or a sub-contractor”, of the following:-

“a construction contractor or a sub-contractor; or”;

(ii) by the insertion immediately after paragraph (c) thereof, of the following:-

“(d) on or after July 1, 2019, of a construction contractor or a sub-contractor;” and

(b) by the substitution for item (xii) thereof, of the following item:-

“(xii) services provided by a hotel, guest house, restaurant or other similar business—

(a) prior to January 1, 2011; or

(b) on or after July 1, 2019, where the payment for such service is received in foreign currency through a bank in Sri Lanka,

where such hotel, guest house, restaurant or other similar business is registered with the Ceylon Tourist Board;”.

25 **4.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail. Sinhala text to prevail in case of inconsistency.

