



INLAND REVENUE DEPARTMENT

Notice to the Employers and Employees

Deduction of Advance Personal Income Tax (APIT) from Resident but Non-Citizen Employees

As you were already informed by the Notice [PN/APIT/2020-01](#) dated 20.04.2020 of the Inland Revenue Department (IRD), APIT replaced PAYE tax with effect from 01.04.2020 on optional basis. As informed, the employers are required to remit the APIT by deducting from the remuneration of respective employees, if such employees are **resident** in terms of the provisions of the Inland Revenue Act No. 24 of 2017, with the consent of respective employees.

However, **consent of the respective employee is required only from the resident but citizen employees.** A “Citizen of Sri Lanka” means any person who is having citizenship in Sri Lanka under the Citizenship Act and includes dual citizenship holders. Therefore, deduction of APIT is **compulsory** with effect from 01.04.2020 on the remuneration payments to following employees **regardless of their consent.**

1. All Non-Resident Employees
2. All Resident but Non-Citizen Employees

Employers may apply the Tax Table 05 of the APIT tables for the months of April – July 2020 of the Year of Assessment 2020/2021, to deduct the APIT from the remuneration payments of the resident but non-citizen employees (who have not given their consent to deduct APIT prior to this notice) and such computed APIT must be paid on or before August 15, 2020.

Further, if any of such employees who has not made the payment of income tax due for gains and profits from employment during the period from 01.01.2020 to 31.03.2020 can pay such income tax payment as informed by the IRD Notice [PN/PAYE/2020-01](#) dated 15.04.2020 (Deduction of Tax on Cumulative Income from Employment for the Period 01.01.2020 – 31.03.2020) through the employer.

Commissioner General of Inland Revenue



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