

Tax Table No. 07
Rate for the deduction of tax from the second employment

Rates for the deduction of tax from the gains and profits from employment of any employee who has not furnished the primary employment declaration, or in respect of gains and profits from employment of any employee employed under more than one employer.

01. Resident Employee

If the employee is resident in terms of the provisions of the Inland Revenue Act, and consent is granted to the employer by a declaration to deduct tax on such profits, the tax should be deducted **at any rate given in Table 7.1** which depends on the income from prime employment. Please apply the rate to corresponding income of prime employment as the employee requested in his declaration

Table 7.1

If Monthly profits from Prime Employment (Rs.)			Monthly profits from Second Employment	Tax Rate on second employment
250,000	-	500,000	On the amount from second employment	6%
500,001	-	750,000	On the amount from second employment	12%
750,001	And above		On the amount from second employment	18%

Example:

Let's assume that Mr. Perera a resident employee of a private institution X and his regular profits (remuneration) for each month is Rs 300,000 from employment (including non-Cash Benefits). Further, He gets a monthly fixed payment Rs. 50,000 in Company Y for his consultancy service on contract basis.

*Tax liability on the **second employment** should be computed as follows:*

As his Income from Prime employment Rs. 300,000 falls under income range of Rs. 250,000 – 500,000, the applicable tax on second employment

Rs. 50,000 is at 6% = 3,000

02. Non-Resident Employee

If the employee is a non-resident in terms of the provisions of the Inland Revenue Act (whether he is a citizen in Sri Lanka or not), **regardless of the consent of the employee, the tax compulsorily be deducted** by the employer at the rate given in table 7.2, unless a direction is issued by the Commissioner General or any officer authorized by him (The Secretariat).

Table 7.2

Monthly profits from Employment (Rs.)	Tax Rate
On any amount	18%