

TAX TABLE No. 5

Annual Tax Table

How to use this table:

01. Please apply this table in respect of employees whose monthly regular profits from employment is generally below Rs. 25,000 but cumulative profits from employment up to any month in the year of assessment exceed Rs. 300,000 due to payment of higher remuneration in certain months (instance where the monthly Tax Table should not be applied)
02. In respect of all lump-sum payments or once-and-for-all payments, deductions should be made in accordance with the Table No. 2 or Table No. 3 where relevant.
03. Tax deduction should start from the month in which the cumulative profits up to that month exceed Rs. 300,000.
04. Thereafter tax deduction should be made monthly till the end of the year of assessment, using this table.

Example:

Mr. Silva is an employee of a private institution and his monthly regular profits from employment is generally less than Rs. 25,000. His Gross regular profits from employment for the period from April 2009 to January 2010 Rs. 332,650. His remuneration is Rs. 33,690 since February 2010.

Tax deductions should be made as follows:

2010 January

Gross Employment income from April 2009 to January 2010	332,650
Tax chargeable in January	312

2010 February

Gross Employment income from April 2009 to February 2010	366,340
Tax on Rs. 366,340	1,872
Tax Charged in January (Deducted)	<u>312</u>
Tax chargeable in February	1,560

2010 March

Gross Employment income from April 2009 to March 2010	400,030
Tax on Rs. 400,030	3,408
Tax Charged in January & February (Deducted)	<u>1,872</u>
Tax chargeable in March	1,536