Exemption of Tourism Development Levy (TDL) from the establishments having less than Rs.12.00 million Annual Turnover

As per the finance Act No.25 of 2003 all tourism establishments licensed under the Tourism Development Act No.14 of 1968 are requested to pay 1% on the turnover as a Tourism Development Levy commencing from 1st September 2013.

With the aim of promoting business of Small & Medium sector Enterprises in Sri Lanka, the government has introducing various facilities to the above sector in order to improve their business while adding their output to the domestic production. Accordingly the government has given the exemption to the applicable thresholds such as Value Added Tax, Economic Service charge & etc. Accordingly section II of part II (with relevant to the Tourism Development Levy) of the finance Act No.25 of 2003 has been amended as follows;

“Sales Agents licensed under Tourism Development Act No.14 of 1968, the Tourism Development Levy shall not be charged on any institution having an annual turnover not exceeding rupees twelve million or a quarterly turnover not exceeding rupees three million “

As per the above amendment to the section II ,any person or partnership whose aggregate turnover for a taxable period (Three months) commencing from April 2013 ,does not exceed Rupees 3.00 Million per quarter or 12 Million per annum ,need not to be paid for the Tourism Development Levy.

Accordingly if you are categorised to the aforesaid group you are not liable to pay Tourism Development Levy for the each quarter. However you should submit us the audited financial statements at each year end in order to confirm your supply is not liable for the Tourism Development Levy. It is compulsory to submit the annual audited financial statements to the authority when you are renewing your licenses.