Choices. Priorities. Opportunities.

Summary of Budget Proposals 2019
### Tourism

- NBT exempted on foreign currency receipts of specified hotels
- Foreigners investing USD 400,000 or more in condominiums will be entitled to residential VISA
- From 01st April 2020 online booking of lodging allowed only if same are registered with SLTDA
- Applicable CESS rates to be reduced to support hotel sector

### Employee | Workforce

- Legislation to be introduced to enable flexible working hours and work from home concept for women
- Tax concessions for companies that grant 3 months of maternity leave
- Financial assistance to established daycare centers for children of working mothers in order to encourage women in the workforce
- Minimum employment criteria of 50 employees to qualify for enhanced salary deduction applicable for the KPO industry to be removed

### SME/Entrepreneurship

- RS. 1300mn allocated to build two fishing ports.
- PAL on Gem and Jewelry machinery imports to be reduced to 2.5%
- Phasing out of CESS on construction, manufacture and tourism industries over a period of 3 years.
- Enterprise Sri Lanka to be expanded to provide concessionary loans to young entrepreneurs.
- Rs 500mn allocated for the development of the Enterprise Sri Lanka program
- Special excise duty on small trucks will be reduced.

### Education | Vocational

- Scholarship for education excellence to be established. Scholarships to be given to students with best results to study in best foreign universities
- Rs 32,000mn allocated for the development of school infrastructure
- Rs 400mn to be allocated for training Tamil language teachers
- Army will carry out NVQ certified courses
- Concessionary loan schemes for students who do not enter university

### Environment

- Schemes to conserve mangroves to be implemented
- Green Societies – every divisional secretariat to be involved in beach cleaning
- Minimum standards on sanitary near taps and showers to be implemented to address water waste
Transportation

- 1,000 luxury buses to be introduced for city rides
- Train carriages to be given to private sector under lease
- Pre-paid cards, GPS & Apps to be introduced in Western and Central provinces for public transport
- Loan scheme for electric trishaws & mini taxies. Government will bear 75% of the loan
- Increase of toll on expressway by Rs 100 during the peak hours from April 1, 2019

Healthcare

- Rs 600mn allocated for the development of the Suwaseriya Ambulance Programme

Infrastructure

- Rs. 1300mn allocated to build two fishing ports
- Rs 2,000mn allocated to “Sukitha Purawara” town development programme
- Ruwanpura expressway project will be commenced in 2019
- Rs 5,000mn allocated for the Light Rail project due to commence this year
- No foreign construction company can bid for government projects unless they are fully foreign funded or there is a joint venture with a local company
- Rs 1,000mn allocated for the development and maintenance of Colombo City
- By 2023 all government offices and commercial buildings should accommodate access to disabled persons

Automobile

- Personalized number plates can be obtained for Rs 1 million
- Production tax on Petrol vehicles:
  - less than 800cc will be increased by Rs. 150000
  - Less than 1000cc increased by Rs. 175,000
  - Less than 1300 cc by Rs. 500000
- Import duty on luxury vehicles to be revised
- 200% cash margin on imports removed for vehicles
- Production tax on 70 KV electric vehicles reduced by Rs 175,000

Tobacco | Alcohol | Gambling

- Prices of one Cigarette will be increased by Rs 5
- From June 2019 NBT to be imposed on cigarettes
- CESS on beedi leaves to be increased to Rs 3,500 per Kg
- Production tax on hard liquor (750ml bottle) will be increased by Rs. 63 and on can of beer (330ml) by Rs. 9 from today
- Levy on business of Casino increased from Rs 200mn to Rs 400mn
Legislation

Bribery Commission to be strengthened through Rs 100mn allocation

Amendments to the Inland Revenue Act to be introduced

New Customs Act will be introduced

Banking and Finance

6% concessionary home loan facilities upto Rs 10mn repayable in 25 years for newlyweds

Enhanced capital allowances on specified investments.

3.5% NBT will replace 2.5% Stamp Duty on all foreign transactions using credit or debit cards

Disclaimer

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