

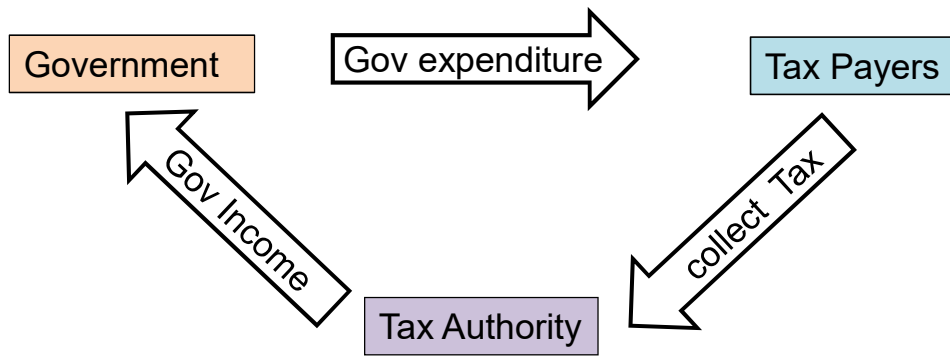
Introduction to Taxation in Sri Lanka

Lahiru Karunaratna

Chapter Content

- Principles of taxation.
- Objectives of taxation.
- Tax authorities in Sri Lanka.
- Types of taxes in Sri Lanka.

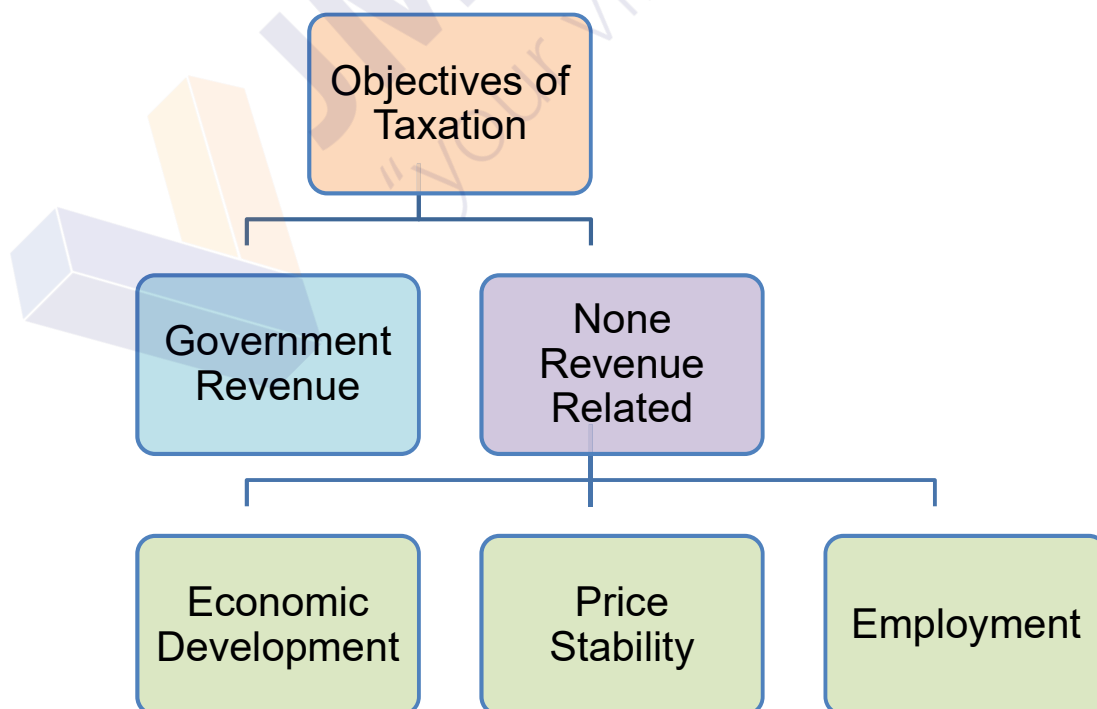
Taxation Process



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Objectives of Taxation

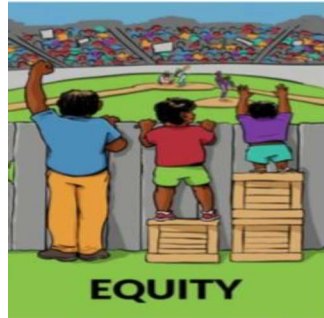


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Principles of Taxation

- Equity



Equity means fairness. This can mainly be seen in income tax which is based on ability to pay.

Principles of Taxation

- Certainty

This requires that a sound tax should be specific about its requirements such as liability, effective date, rates, time lines, relevant authority, etc.

- Simplicity

A tax should be simple and understandable by the taxpayers.

- Economy

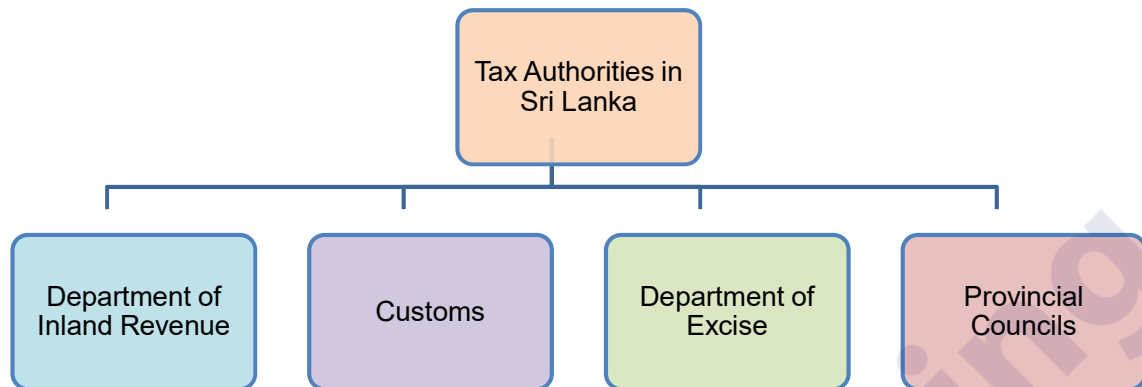
Cost of collection should be low. Cost of collecting the tax should not be greater than tax collected.

- Adequacy

Should be adequate to cover the expected government expense.

What is a tax authority?

Tax authority is an institute which is empowered to collect tax on behalf of the government



Types of Taxes

