

Taxation of miscellaneous Undertakings

AAT Level III Corporate & Personal Taxation (CPT)

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Taxation

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Taxation of Other Person & Entities

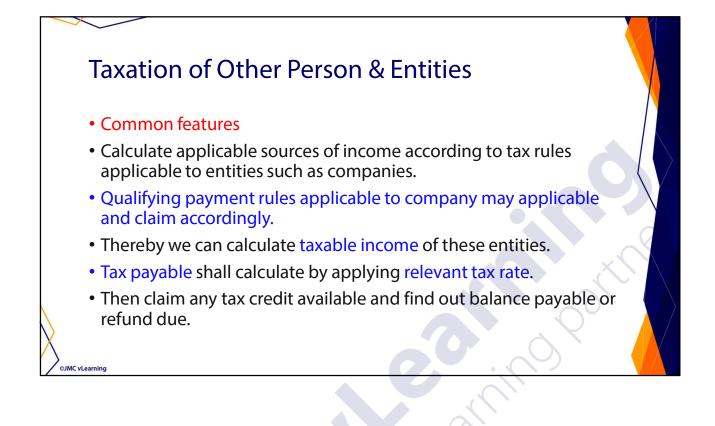
- Other Person & Entities
- 1.Charitable institute
- 2.Non governmental organizations (NGO)
- 3.Trust and Beneficiaries.
- 4.Trustees / Executors/Adminsrors
- 5.Unit Trust Eligible Investment/ Not doing eligible investment
- 6.Receivers

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• YMCA (Approved Charity)2020/2021

- Donation received Rs.50,000,000.
- Investment income from Fixed Deposit Rs.3,000,000.
- Rent Income Rs.1,200,000.
- Profit from realization of investment property Rs. 800,000.
- Donation to Government of Sri Lanka Rs.600,000. Tax credits from self assessment Rs.120,000.
- Calculate Tax payable and Balance Tax payable.

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Taxation of Other Person & Entities

• Tax rate applicable.

Other Entity	Tax rate
Charitable Institute	14%
Non – governmental organization	24%
Trust and Trustees	18%
Unit Trust – Non eligible investment	14%
Receiver (Where company under winding up)	24%

Trust / Trustee

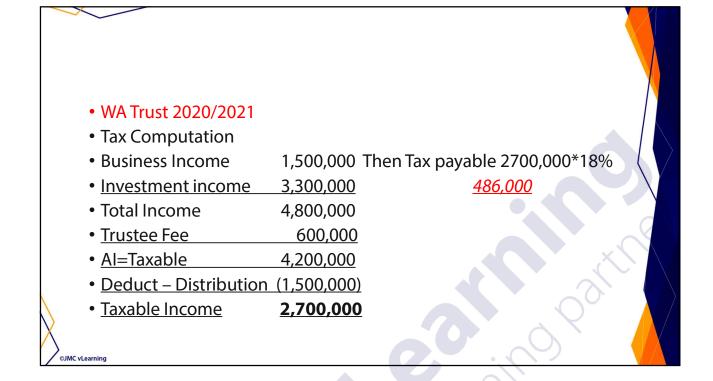
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- A person looking after others estate.
- If personal appointment Executor.
- If appointed by court Administrator.
- They will be acting upon trust deed.
- If it is Government case will be under Public trustee.
- Tax rate 18%.Capital Gain 10%.
- But if all income distributed among beneficiaries then trustee or trust is not liable.

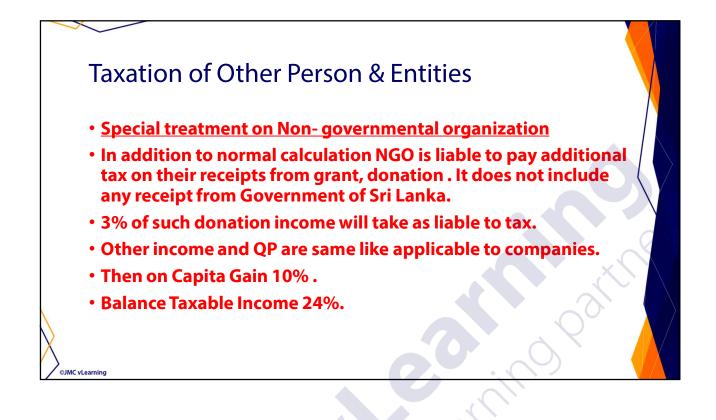
• The father of Warun and Arun create a trust .Which called as WA Trust.

- According to trust deed trustee fee Rs, 600,000 for the year.
- As up to age 18 Warun and Arun shall receive Rs.900,000 and 600,000 respectively from the trust.
- Trust income for 2020/2021.
- Business Rs.1,500,000. Rent Income Rs. 2,400,000.
- Fixed Deposit Income Rs. 900,000.
- Calculate tax payable by Trust.

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Taxation of Other Person & Entities

• Tax Computation in such situation

Detail	Amount
Grant donation received during the year	*****
Taxable	3%
Taxable amount	*****
Other Income	****
Assessable Income	****
Taxable Income	*****
Tax rate (If capital Gain 10%) Normal	24%
Tax payable	****

- NGO 2020/2021
- Donation Rs.45,000,000. Its include donation received from government of Sri Lanka Rs.2,000,000.
- Interest Income Rs.1,200,000.
- Donation paid to approved charity Rs. 700,000
- Calculate Tax Payable

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• NGO • 2020/2021	
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