



දේශීය ආදායම් දෙපාර්තමේන්තුව உள்ளநாட்டு இறைவரித் திணைக்களம் INLAND REVENUE DEPARTMENT

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SEC/2022/E/05

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QUANTIFICATION OF VALUES FOR NON-CASH BENEFITS IN CALCULATING EMPLOYMENT INCOME

In calculating an employee's gains and profits from an employment for the second three month period of the year of assessment 2022/2023, non-cash benefits received or derived by such employee from the employment are specified as below by the Commissioner General of Inland Revenue (CGIR) in terms of Section 27 of the Inland Revenue Act, No. 24 of 2017.

1. Value of Company shares awarded by Employer

“Value” of any benefit accruing to any employee of an employer, from the allotment of any share or awarding an option to acquire any share, to such employee means: the excess, if any, of the market value of such share at the time allotted under an employee share scheme, reduced by the employee's contribution for the shares as the case may be.

2. Value of benefits from any residence provided by the Employer

- (i) “Value” of any benefit of any place of residence provided by the employer, in respective situations, should be the market value or value specifies as follows where the market value is not ascertainable.

Monthly Remuneration (Rs)	Monthly Non-Cash Benefit (Rs.)		
	In Rated area	In Unrated area	Estate Bungalows
If less than or equal to 200,000	20,000 or 12.5% of remuneration whichever is less	15,000 or 10 % of remuneration whichever is less	10,000 or 7.5% of remuneration whichever is less
If more than 200,000	40,000 or 12.5% of remuneration whichever is less	30,000 or 10 % of remuneration whichever is less	20,000 or 7.5% of remuneration whichever is less
If such residence is furnished	2.5% of remuneration or 5,000 whichever is less		

The value of any place of residence should be considered as inclusive of any security, housemaids, servants, laundry etc.

Note: Where the value of any benefit is less than the fair market value then the difference between the benefit considered for the purpose of withholding tax on employment income of an employee and the fair market value should be disallowed as a domestic expense for the purpose of Section 10 of the Act.

- (ii) Where the employer reimburses any expense connected with a house or apartment occupied by the employee, the value of benefit shall be the actual expense reimbursed by the employer.

3. Value of Transport Facilities provided by the Employer

- (i) The value of benefit to an employee from the (fully or partly) private use of any motor vehicle should be the market value or values specify as follows where the market value is not ascertainable.

Engine	Non- Cash Benefit (Rs. Per Month)		
	Vehicle	Driver	Fuel
<ul style="list-style-type: none"> • Not more than 1800cc - Fuel or Hybrid(Petrol/Diesel) • Not more than 200 KW Electrical Vehicles 	20,000	10,000	20,000
<ul style="list-style-type: none"> • More than 1800 cc - Fuel or Hybrid(Petrol/Diesel) • More than 200 KW Electrical Vehicles 	35,000	10,000	30,000

If an employee provided with more than one vehicle for official or private use, only one vehicle should be considered as provided for private use and as the benefit from employment for Advance Personal Income Tax (APIT) purpose.

Note: Where the value of any benefit is less than the fair market value then the difference between the benefit considered for the purpose of withholding tax on employment income of an employee and the fair market value should be disallowed as a domestic expense for the purpose of Section 10 of the Act.

- (ii) The value of benefit to an employee from the (fully or partly) private use of any motor bicycle –
- (a) provided by the employer with fuel on such employer's account, shall be deemed to be Rs. 5,000 per month, (irrespective of the engine capacity);
- (b) provided by the employer without fuel, shall be deemed to be Rs. 3,000 per month, (irrespective of the engine capacity)
- (iii) The value of the benefit from private use of –
- (a) any motor vehicle used for field works, provided by the employer where accurate record of such usage is maintained by such employer, shall be deemed to be Rs. 25 per kilometer (irrespective of the engine capacity of the vehicle);
- (b) any motor bicycle provided by the employer where accurate record of such usage is maintained by such employer, shall be deemed to be Rs. 5 per kilometer (Irrespective of the engine capacity of the vehicle)
- (iv) Where the employer incurs or reimburses any expense in respect of fuel or maintenance of any motor vehicle or motor bicycle owned by the employee, the value of the benefit to the employee is the actual expenditure.

4. Other Benefits provided by the Employer

	Nature of Benefit	Value of Benefit
1	Provision of Hotel Facilities for expatriates	100% of the cost
2	Loans on Concessionary rates	50% of difference between concessionary rate and the market rate specified annually by CGIR For the second three-month period of the year of assessment 2022/2023 market rate specified by CGIR's 9.08% per annum.
3	Provision of servants etc.	100% of the cost
4	Provision of Electricity and Gas etc.	100% of the cost
5	Provision of Medical Benefits	100% of such medical bills.
6	Provision of free meals	100% of the cost
7	Payment of dental, medical or health insurance A discharge or reimbursement of dental, medical or health insurance expenses where the benefit is not available to all full-time employees in equal terms	100% of the cost
8	Payment of telephone bills & annual charges	50% of the cost
9	Air tickets (other than official purposes)	100% of the cost
10	Payment of Tax	Amount of Tax paid



Commissioner General of Inland Revenue

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