

Tax Rate Year of Assessment 2025/2026

	Y/A/2025/2026	
	Taxable Income	Tax Rate
Individuals		
1. Tax-Free Relief: Rs. 1,800,000		
2. Normal Rates		
First	1,000,000	6%
Next	500,000	18%
Next	500,000	24%
Next	500,000	30%
Balance	Balance	36%
3. Employment Terminal Benefits Tax Rates		
First	10,000,000	0%
Next	10,000,000	6%
Balance	Balance	12%
4. Income from business consists of betting and gaming, manufacturing and selling, or importing and selling any liquor or tobacco product.		45%
5. Gains and profits from service exports (where the service is consumed outside Sri Lanka) and from foreign sources (subject to the condition that the foreign currency is received through a bank in Sri Lanka).		Maximum 15%
Partnerships		
1. Capital Gains		10%
2. Normal Rates		
First	1,000,000	0%
Balance	Balance	6%
Trusts		
1. Capital Gains		10%
2. Normal Rates		30%
Companies		
1. Capital Gains		30%
2. Normal Rates		30%
3. On gains and profits from conducting betting and gaming.		45%
4. On gains and profits from the manufacture and sale or import and sale of any liquor or tobacco product (other than export of such products)		45%
5. If BOI agreements provided a reduced rate before 01.04.2018, the BOI Rate is applicable.		
6. Gains and profits from service exports (where the service is consumed outside Sri Lanka) and from foreign sources (subject to the condition that the foreign currency is received through a bank in Sri Lanka).		15%
Unit Trusts or Mutual funds		
1. Capital Gains		10%
2. Normal Rates		30%
Charitable Institutions		
1. Capital Gains		10%
2. Normal Rates		14%
Non-Governmental Organizations (NGO)		
1. Capital Gains		10%
2. Normal Rates		30%
3. On amounts received in a year of assessment by way of grant, donation, or contribution or in any other manner under section 68.		30%
Employees' Trust Funds, Provident, Pension or Gratuity Fund, and Termination Funds		
1. Taxable Income	Not applicable	Not applicable
2. Employees' Trust Fund, an approved provident or pension fund or an approved termination fund that has invested in eligible bonds, and the Registrar of the Public Debt Department of the Central Bank of Sri Lanka confirms that any such fund has effectively participated in the process of domestic debt optimisation, then the income from their treasury bonds .	Whole Year	14%
3. Employees' Trust Fund, an approved provident or pension fund or an approved termination fund that has invested in eligible bonds, and such fund has not effectively participated in domestic debt optimisation, then the income from their treasury bonds .	Whole Year	30%
4. On Other sources of income.	Whole Year	14%
Remittance tax by non-residents		
On remitted profit.		14%

****Above "Year of Assessment 2025/2026" is applicable for the June 2026 examination to the March 2027 examination.**