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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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**PART IV (A) - PROVINCIAL COUNCILS**

**Provincial Councils Notifications**

**WESTERN PROVINCE PROVINCIAL COUNCIL**

**Western Province Mineral Tax Statute, No. 02 of 2012**

I, Prasanna Ranathunga, Chief Minister and Minister of Finance and Planning, Law and Order, Land, Education, Local Government, Provincial Administration, Manpower and Employment, Economic Promotion, Power and Energy of the Western Province Provincial Council, here by declare that Mineral Tax Statute, No. 02 of 2012 Western Provincial Council, do by this order with effect from 10.05.2012 as Assent by the Honorable Governor of Western Province.

PRASANNA RANATHUNGA,  
Chief Minister and Minister of Finance and Planning,  
Law and Order, Land, Education, Local Government,  
Provincial Administration, Manpower and Employment,  
Economic Promotion, Power and Energy of the  
Western Province Provincial Council.

Chief Minister Office,  
Shrawasthi Mandiraya,  
Colombo 07,  
01st June, 2012.

**Western Province Mineral Tax Statute, No. 02 of 2012**

A statute to allocate provisions with regard to matters pertaining to levying ; within certain constrictions prescribed by the laws enacted by the parliament and subjected to certain exemptions, taxes for mineral rights located within the Western Province and charging of such taxes as well as matters related or consequential thereto.

Be it enacted by the Western Province Provincial Council of the Democratic Socialist Republic of Sri Lanka as follows :-

01. This statute shall be cited as the Western Province Mineral Tax Statute No. 02 of 2012 and it will be put into effect from the date assent of the Governor.

Short title and  
the date of enact  
ment.

## Section I

**Levying the Mineral Tax**Enactment of  
the Mineral Tax

02. Under the license issued under Mines and Mineral Act No. 33 of 1992, from every person carrying out business within the province on behalf of rights pertaining to mining or removal of minerals from a land located within the province, a tax (hereinafter called as Mineral Tax) valued according to the ratio stated in the schedule of this statute on the turnover received by the said person from the said business shall be levied subjected to certain limitations and exemptions prescribed under laws enacted by the parliament and subjected to provisions of this statute from the quarter to which the date of enactment of this statute belongs and every quarter commencing there onwards.

On which  
occasion should  
certain person  
pay the Mineral  
Tax

03. (1) For the purposes of this statute, "Business" means sales carried out either as wholesale or retail of minerals obtained as a result of implementation of the rights pertaining to mining and removal of minerals.

(2) With regard to a business carried out by certain person within the province, the Mineral Tax per each quarter shall be charged from that person.

(3) In a situation where the Mineral Tax is required to be charged from a certain person on behalf of business carried out by such person and when the ownership of such business has been transferred, notwithstanding the provisions stated in Sub-section (1), Mineral Tax shall be levied on the new owner considering that such new owner has been functioning as the owner of said business even prior to such transfer.

## Section II

**Exemptions**

04. (1) Certain business or certain specifically stated business carried out by certain person can be exempted from the Mineral Tax by an order published in the Gazette paper by the minister in instances essentially required for the economic progress of the province.

(2) Every order issued under Sub-Section (1) shall be put into effect either from the date it was published in the Gazette paper or on a subsequent date as specified by that order and in case if a Provincial Council Meeting is not convened within a period of 3 months from the date of the publication of said order in the Gazette paper, at the first Council Meeting of the Provincial Council to be held subsequent to such period, such order shall be presented to the Provincial Council by way of motion requesting adoption of the said motion by the Provincial Council.

(3) Certain order rejected to be adopted by the Provincial Council, until the date of its rejection shall be considered as revoked without harm to its validity from the date of such rejection, and if the said motion is considered to be revoked from such date onwards, that date shall be published in the Gazette paper.

## Section III

**Turnover**

Turnover

05. For the purposes of this statute

01. In relation to either wholesale or retail trade, by the word "turnover"; the due amount of money from every transaction carried out while conducting that business, notwithstanding whether such amount was actually received or not is meant.

(a) Subsequent to deducting the following mentioned amount :-

(1) Total amount received subsequent to removal of certain capital asset which has been included in that amount ; and

(2) If certain amount, which has been included in the turnover of that business at a previous quarter in relation to which the Mineral Tax has been paid, has become confirmed as bad debts within the relevant quarter, including that amount, and

- (b) Subsequent to adding up of certain amount of money received within the relevant quarter on behalf of a bad debt which has either been written off or approved to be written off at a previous quarter, that amount ; is meant.

#### Section IV

#### Reports

06. (1) By every person conducting certain business within the province, at the termination of each quarter shall present to the Commissioner before a lapse of 15 days subsequent to the termination of that quarter, a report which indicates the turnover of the relevant business within that quarter. Every such report shall be in the prescribed format and all the details required by such format shall be included therein.

Reports and information.

(2) By a written notice sent to a person to whom the Mineral Tax can be levied as per the judgement of an assessor, that person can be ordered to produce a report including necessary details within the period of time specified in that notice.

(3) By a written notice sent by an assessor for the purpose of obtaining complete details pertaining to the turnover of a business carried out by a certain person, it can be ordered :

(a) to produce and serve to the assessor certain books, accounts, trade lists, documents, vouchers, cheques, paying - in slips, audit reports, computer reports stated in that notice or other documents in the possession of the relevant person as mentioned by that notice within the time period specified in that notice.

(b) to make the presence of the said person or his authorized representative at a certain place at a certain date and time stated therein for the purpose of inspecting the turnover in relation to that business.

#### Section V

#### Tax Payments

07. (1) The Mineral Tax relevant to a certain quarter shall be paid prior to the termination of the 15th day of the month following immediate to the relevant quarter. Certain tax unpaid as per afore stated regulations shall be considered as a defaulted tax. At the moment the relevant liability arose if that tax requires to be paid by certain person, by that person or ; when certain tax is to be paid by persons more than one in number, by one person or each of those persons or ; when certain tax is to be paid by a business partnership, by the chief partner or each partner of the business partnership or ; when certain tax is to be paid by certain incorporated corporation, by that corporation or persons holding director posts or persons who held director posts of that corporation, together or separately shall be considered as defaulters, for the purposes of this statute.

Tax payments.

08. (1) In an instance where certain Mineral Tax payment is defaulted ;

(a) an amount equal to ten percent of the amount defaulted ; and

(b) if certain defaulted amount has commenced to be defaulted from certain month and which has not been paid prior to 15th day of the month following immediately, in such an instance, on behalf of each time period ending at the 15th of each month or of a part thereof of such time period of defaulting, an additional amount equal to two percent from the total amount defaulted.

Penalty for defaulting.

Shall be paid as penalty by such defaulter in addition to the said tax amount.

However, the total amount payable as penalty under this Sub-section shall not a anytime exceed fifty percent of the tax amount defaulted on and if the Commissioner is satisfied that it is reasonable and justifiable to write off or deduct such defaulted amount on certain specific reasons, such an amount of money can be written off or deducted.

## Section VI

**Provisions of certain chapters of the Finance Statute to be relevant**

Certain provisions of the Western Provincial Financial Statute No. 6 of 1990 to be relevant.

09. Provisions of Sub-sections 10(4), (5), (6), (7), (8), (9), (10) of Chapter V in Western Province Finance Statute No. 06 of 1990, also, provisions of Chapters VII, VIII, IX, XXIII, XXIV, XXV, XXVI, XXVII, XXXII, XXXIII and provisions of reports, estimations, finality of estimates and penalty for inaccurate reports, special situations, penalties and offences, general matters, appealing, appeals to the Review Committee, appeals to the Court of Appeal, charging the tax, general matters, implementation, interpretation shall, under this statute, be relevant respectively in relation to reports, estimations, finality of estimates and penalty for inaccurate reports, special situations, penalties and offences, general matters, appealing, appeals to the Review Committee, appeals to the Court of Appeal, charging the tax, general matters, implementation and interpretation respectively.

## Section VII

**Interpretation**

Interpretation.

10. Unless other definition is required, under this statute ;

The Minister of the Provincial Board of Ministers under whose purview the subject of Finance functions is meant by the term “Minister”;

The license issued under Mines and Mineral Act No. 33 of 1992 is meant by “license”;

The period of three months commencing from the first days of the months of January, April, July and October of a certain year is meant by “quarter”;

also, in relation to the date of enactment of this statute, in a certain quarter that includes such date of enactment and from that date onwards till the final day of the month, by which the said quarter ends, is meant by the term “quarter”;

A naturally created mineral that can be mined from the surface or underneath in the form of solid, liquid or gas, any ore containing such mineral, or any product of such mineral obtained after processing is meant as “minerals” and timber residue and salts too are included in it, however, it does not include hydro-carbons ;

Any mining carried out on the surface or underneath for the purpose of evaluation or obtaining of any mineral is meant by “mining”.

Sinhala text to prevail in instances of incongruity.

11. Should any incongruity between the Sinhala and Tamil texts of this statute arise, the Sinhala text shall prevail.

**[Schedule Sub - section 3(1)]**

Tax ratio to be 0.5 percent.

On the value of gross turnover of minerals mined on behalf of the rights of mineral mining and removal within the province in the event of implementing of those rights.

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