

# Government Notifications

## NOTIFICATION UNDER THE FINANCE ACT, No. 35 of 2018

### Luxury Tax on Motor Vehicles

BY virtue of the powers vested in me by Section 19 read with Section 51 of the Finance Act, No. 35 of 2018, I, Ranil Wickremesinghe, Minister of Finance, Economic Stabilization and National Policies, do by this Order amend the *Extraordinary Gazette Notification* No. 2147/72 dated October 31, 2019,

1. In the Finance (Luxury Tax on Motor Vehicles) Regulations as last amended by *Extraordinary Gazette Notification* No. 2180/21 dated June 17, 2020, by the substitution of Paragraph 5 of that regulation of the following Paragraph :-

"5. The Luxury Tax on Motor Vehicles shall be charged on every specified motor vehicle;

(a) Imported for personal use by any migrant worker who has remitted foreign currency of USD 20,000 or more to Sri Lanka through a Bank in Sri Lanka on or before December 31, 2022, as per the Circular No. 02/2022 dated 31.08.2022 and its subsequent amendments issued by the Ministry of Labor and Foreign Employment under the "Scheme for granting permits to import fully electric vehicles for Sri Lankans employed abroad", based on Letters of Credits (LCs) established on or before June 30, 2023 and if such vehicle is registered at the Department of Motor Traffic on or before September 30, 2023, as specified in Column I, in which the Cost, Insurance, Freight (CIF) value in exceeding the Luxury Tax Threshold value as specified in Column II of the Schedule II hereto, at the rate specified in the corresponding entry in Column III of the said Schedule,

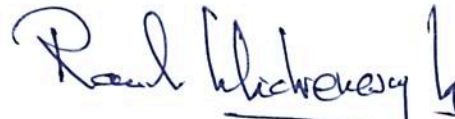
(b) Other than any such vehicle specified in Paragraph (a), as specified in Column I, of which the Cost, Insurance, Freight (CIF) value or the Ex-Factory Price (Manufacturer's Price), as the case may be, in exceeding the Luxury Tax Threshold value as specified in Column II of the Schedule I of the *Extraordinary Gazette Notification* No. 2312/69 dated December 31, 2022, at the rate specified in the corresponding entry in Column III of the said Schedule.

For the purpose of these Regulations,

'Luxury Tax-Free Threshold Value' means the maximum Luxury Tax-Free value of the Cost, Insurance, Freight (CIF) value or the Ex-Factory Price (Manufacturer's Price) of a locally assembled, as the case may be, of a motor vehicle as defined in Column II of the Schedule I & II to these Regulations.

and

2. In the Schedule, as last amended by the *Extraordinary Gazette Notification* No. 2312/69 dated December 31, 2022, by the addition immediately after Schedule I thereto, of the Schedule hereto, as Schedule II.



**RANIL WICKREMESINGHE,**

Minister of Finance, Economic Stabilization  
and National Policies

Ministry of Finance, Economic Stabilization  
And National Policies,  
Colombo 01,  
February 10, 2023.

**SCHEDULE II**

| I             |            |   | II                              | III  |
|---------------|------------|---|---------------------------------|--|
| H. S. Heading | H. S. Code | Description   | Luxury Tax-Free Threshold Value | Rate<br>(Applicable on the amount exceeding the Luxury Tax Free Threshold) |
| <b>87.03</b>  |            | <b>Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars.</b> |                                 |  |
|               | 8703.80    | Other vehicles, with only electric motor for propulsion   |                                 |  |
|               |            | Other, powered by on board accumulators charged by external electric source (eg; National grid), not more than three years old  |                                 |  |
|               | 8703.80.31 | Capacity of motors not exceeding 50kW   | Rs. 12.0 Mn                     | 60%  |
|               | 8703.80.32 | Capacity of motors exceeding 50kW, but not exceeding 100kW  | Rs. 12.0 Mn                     | 60%  |
|               | 8703.80.33 | Capacity of motors exceeding 100kW, but not exceeding 200kW   | Rs. 12.0 Mn                     | 60%  |
|               | 8703.80.34 | Capacity of motors exceeding 200kW  | Rs. 12.0 Mn                     | 60%  |

The Technical terms following used in the Schedule should be read as follows ;

kW - Kilowatt(s)