

# Tax Expenditure on Board of Investment( BOI), Strategic Development Projects( SDP) and Colombo Port City

## 01.Value Added Tax Expenditure First Quarter of 2026

### 1.1 SDP

| Sector             | Tax Base<br>(Rs.Mn) | Tax Rate | Estimated<br>Tax (Rs.Mn) | Tax<br>Expenditure<br>(Rs.Mn) |
|--------------------|---------------------|----------|--------------------------|-------------------------------|
| ALL SECTORS        | 241                 | 18%      | 43                       | 43                            |
|                    |                     |          |                          |                               |
| <b>Grand Total</b> | <b>241</b>          |          | <b>43</b>                | <b>43</b>                     |

### 1.2 BOI

| Sector                                | Tax Base<br>(Rs.Mn) | Tax Rate | Estimated<br>Tax (Rs.Mn) | Tax<br>Expenditure<br>(Rs.Mn) |
|---------------------------------------|---------------------|----------|--------------------------|-------------------------------|
| MANUFACTURING - AGRICULTURE           | 84                  | 18%      | 15                       | 15                            |
| MANUFACTURING - OTHERS                | 27,768              | 18%      | 4,998                    | 4,998                         |
| MANUFACTURING - TEXTILES AND GARMENTS | 1,941               | 18%      | 349                      | 349                           |
| SERVICE - CONSTRUCTION                | 54                  | 18%      | 10                       | 10                            |
| SERVICE - ELECTRICITY AND GAS         | 713                 | 18%      | 128                      | 128                           |
| SERVICE - OTHERS                      | 3,018               | 18%      | 543                      | 543                           |
| SERVICE - TELCOMMUNICATION            | 348                 | 18%      | 63                       | 63                            |
| SERVICE - TOURISM                     | 133                 | 18%      | 24                       | 24                            |
| SERVICE - TRANSPORT                   | 1                   | 18%      | -                        | -                             |
| SERVICE - WATER                       | -                   | 18%      | -                        | -                             |
| SERVICE - WHOLESALE AND RETAIL        | 19,140              | 18%      | 3,445                    | 3,445                         |
| Other                                 |                     | 18%      | -                        |                               |
| <b>Grand Total</b>                    | <b>53,200</b>       |          | <b>9,575</b>             | <b>9,575</b>                  |

**Note:** This data is prepared based on taxpayers declarations

*Source: Inland Revenue Department*

## 02. CID, PAL and CESS Tax Expenditure upto 31.05.2026

### 2.1 SDP

| Tax Type           | Tax<br>Expenditure<br>( Rs. Mn) |
|--------------------|---------------------------------|
| CID                | 280                             |
| PAL                | 472                             |
| CESS               | 134                             |
| <b>Grand Total</b> | <b>886</b>                      |

### 2.2 Port City

| Tax Type           | Tax<br>Expenditure<br>( Rs. Mn) |
|--------------------|---------------------------------|
| CID                | 1.2                             |
| PAL                | 10.9                            |
| CESS               | 12.2                            |
| <b>Grand Total</b> | <b>24.3</b>                     |

### 2.3 BOI

| Tax Type           | Tax<br>Expenditure<br>( Rs. Mn) |
|--------------------|---------------------------------|
| CID                | 36,863                          |
| PAL                | 23,049                          |
| CESS               | 16,220                          |
| <b>Grand Total</b> | <b>76,132</b>                   |

*Source: Sri Lanka Customs*

### 03. Corporate Income Tax - Based Year 2024/2025

#### 3.1 SDP

| Tax Base (Rs. Mn.) | Tax Rate | Tax | Standard Rate | Tax (Rs Mn.) | Expenditure (Rs Mn.) |
|--------------------|----------|-----|---------------|--------------|----------------------|
| 61,284             | 0%       | 0   | 30%           | 18,385       | 18,385               |

#### 3.2 BOI

| Tax Base (Rs. Mn.) | Tax Rate | Tax     | Standard Rate | Tax (Rs. Mn.) | Expenditure (Rs. Mn.) |
|--------------------|----------|---------|---------------|---------------|-----------------------|
| 176,556            | 0%       | -       | 30%           | 52,967        | 52,967                |
| 6,495              | 10%      | 649     | 30%           | 1,948         | 1,299                 |
| 2,318              | 12%      | 278     | 30%           | 696           | 417                   |
| 623,261            | 14%      | 87,257  | 30%           | 186,978       | 99,722                |
| 91,384             | 15%      | 13,708  | 30%           | 27,415        | 13,708                |
| 32,542             | 20%      | 6,508   | 30%           | 9,763         | 3,254                 |
| 0                  | 24%      | 0       | 30%           | 0             | 0                     |
| 73,242             | 30%      | 21,973  | 30%           | 21,973        | -                     |
| 1,005,798          |          | 130,373 |               |               | 171,367               |

*Source: Inland Revenue Department*