

Government Notification
Notification under the Finance Act, No. 35 of 2018
Luxury Tax on Motor Vehicles

BY virtue of powers vested in me by Section 51 read with Section 19 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 as last amended by the *Extraordinary Gazette Notification* No. 2334/24 dated May 31, 2023, as follows.

1. In the Finance (Luxury Tax on Motor Vehicles) Regulations as last amended by *Extraordinary Gazette Notification* No. 2334/24 dated May 31, 2023, by the substitution of Subparagraph (b) of Paragraph 5 of that regulation of the following Paragraph:-

"(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 Free 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.

Provided that, Luxury Tax on Motor Vehicles payable at the time of sale or disposal of a motor vehicle, imported or locally purchased on 100% duty/tax-free basis by a Diplomat or a Diplomatic Organization and registered in the name of such Diplomat or a Diplomatic Organization, as the case may be, on or after March 06, 2018, shall be charged based on the period of usage of such vehicle as specified in the Schedule III hereto" ;

And

2. In the Schedule, as last amended by the *Extraordinary Gazette Notification* No. 2318/53 dated February 10, 2023, by the addition immediately after Schedule II thereto, of the Schedule hereto, as Schedule III.



Ranil Wickremesinghe
Minister of Finance, Economic Stabilization
and National Policies.

Ministry of Finance Finance, Economic Stabilization
and National Policies,
Colombo 01,
July..13., 2023.

SCHEDULE

SCHEDULE III	
<i>Period of Usage by a Diplomat/ Diplomatic Organization from the Date of First Registration*</i>	<i>Rate of Luxury Tax</i>
Less than or equal 01 year	85% of the Payable Luxury Tax
More than 01 year and less than or equal 02 years	75% of the Payable Luxury Tax
More than 02 years and less than or equal 03 years	65% of the Payable Luxury Tax
More than 03 years and less than or equal 04 years	55% of the Payable Luxury Tax
More than 04 years and less than or equal 05 years	45% of the Payable Luxury Tax
More than 05 years and less than or equal 06 years	35% of the Payable Luxury Tax
More than 06 years and less than or equal 07 years	25% of the Payable Luxury Tax
More than 07 years and less than or equal 08 years	15% of the Payable Luxury Tax
More than 08 years	10% of the Payable Luxury Tax

* *Period between the date of first registration and date of sale or disposal of a vehicle shall be taken for computation of period of usage of that vehicle.*