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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

NORTHERN PROVINCE PROVINCIAL COUNCIL

Mineral Tax Statute of the Northern Province Provincial Council No. 03 of 2017

NOTICE is hereby given that the Northern Province Provincial Council has adopted the Mineral Tax Statute of the Northern Province Provincial Council No. 03 of 2017 on 25th May 2017 and that the Hon. Governor Northern Province has given his Assent to it on 06th September 2017.

K. THEIVENDRAM,
Secretary,
Council Secretariat
Northern Provincial Council.

Council Secretariat,
A9 Road,
Kaithady,
11th September, 2017.



A STATUTE TO IMPOSE A MINERAL TAX ON THE RELEVANT TURNOVER OF ANY PERSON IN RESPECT OF EVERY QUARTER OF EVERY YEAR OF ASSESSMENT; AND FOR THE MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Northern Provincial Council of the Democratic Socialist Republic of Sri Lanka as follows:-

Short title and date of operation.

1. This Statute shall be cited as the Mineral Tax Statute, No. 03 of 2017 and shall come into operation on such date as the Governor of the Northern Province may give his assent thereto.

Imposition of Mineral Tax.

2. A Mineral Tax shall, subject to the provisions of this Statute, be charged from every person for every quarter of every year of assessment commencing from the date on which this Statute comes into operation (hereinafter in this Statute referred to as "a relevant quarter") in respect of every part of the relevant turnover of such person for that relevant quarter, at the rate of 0.5 per centum.

Chargeable with Mineral Tax.

3. (1) Every person who carries on the business of minerals within the Northern Province shall be liable to pay the Mineral Tax as may be provided in this Statute.

(2) For the purposes of this Statute, "Business" means sales carried on either as wholesale or retail of minerals obtained under the authority of a licence issued under section 28 of the Mines and Minerals Act, No.33 of 1992.

A person deemed to be liable to Mineral Tax.

4. Where a person is chargeable with Mineral Tax in respect of any business carried on by him and a change of ownership of that business occurs, then notwithstanding the provisions of section 3 the new owner of that business shall be chargeable with Mineral Tax as though he has been the owner of that business immediately before the occurrence of the change of ownership.

Exemption from Mineral Tax.

5. (1) The Minister may, if he is of opinion that it is essential for the economic progress of the Northern Province, exempt by order published in the *Gazette* any mineral business as may be specified, which is carried on by any person, from the Mineral Tax.

(2) Every Order under subsection (1) shall come into force on the date of its publication in the *Gazette* or on such later date as may be specified in such order and shall be brought before the Northern Provincial Council within a period of three months from the date of the publication of such Order in the *Gazette* or, if no meeting of the Northern Provincial Council is held within such period, at the first meeting of the Northern Provincial Council held after the expiry of such period, by a motion that such Order shall be approved.

(3) Any Order which the Northern Provincial Council refuses to approve shall, with effect from the date of such refusal, be deemed to be revoked but without prejudice to the validity of such Order until the date of such refusal, and the notification of the date on which such Order is deemed to be revoked shall be published in the *Gazette*.

Turnover.

6. For the purpose of this Statute, "Mineral Tax" in relation to any business and to any year of assessment means the total amount receivable, whether actually received or not, from every transaction entered into in that year of assessment in the course of such business carried on or exercised by any person.

Notice of Chargeability.

7. Every person chargeable or likely to be chargeable with the Mineral Tax for any relevant quarter shall, by communication in writing addressed to the Commissioner, give notice of such chargeability or likely chargeability, before the fifteenth day of the last month of that relevant quarter.

Date on which Mineral Tax is to be paid.

8. The Mineral Tax which any person is chargeable with for any relevant quarter shall, notwithstanding that no assessment has been made on such person by an Assessor be paid to the Commissioner on or before the fifteenth day of the month immediately succeeding the end of that relevant quarter.

9. Every person chargeable with the Mineral Tax for any relevant quarter shall, whether or not required by an Assessor in that behalf, furnish to an Assessor, on or before the fifteenth day of the month immediately succeeding the end of that relevant quarter, a return in such form and containing such particulars as may be specified by the Commissioner, of his relevant turnover. The return shall also show the basis of the calculation of the Mineral Tax and other details, if any specified by the Commissioner.

Furnishing of returns.

10. (1) Where in the opinion of an Assessor, any person who being chargeable with the Mineral Tax for any relevant quarter—

Assessor to make assessment in certain cases.

(a) has not paid the Mineral Tax; or

(b) has paid an amount less than the proper amount which such person ought to have paid as Mineral Tax for such relevant quarter, such Assessor may, assess the amount of the Mineral Tax which, in his opinion, ought to have been paid by such person as the Mineral Tax for that relevant quarter and shall by notice in writing require such person to forthwith pay—

(i) the amount of the Mineral Tax so assessed for that relevant quarter, if that person has not paid any Mineral Tax for that relevant quarter; or

(ii) the difference between the amount of the Mineral Tax so assessed and the amount of the Mineral Tax actually paid by such person for that relevant quarter, if such person has paid any amount as Mineral Tax for that relevant quarter.

(2) The assessor or any authorized person shall have the right to inspect the mining site to assess the turnover.

11. Every person chargeable with the Mineral Tax shall maintain a record of the transactions of every business carried on by such person, in such manner as would facilitate the reconciliation of the return of relevant turnover furnished by such person under Section 9 of this Statute, with such record.

Maintenance of records.

12. (1) Where any Mineral Tax or any part of such Mineral Tax for any relevant quarter is not paid on or before the date specified in Section 8, for the payment of such Mineral Tax, such sum or part thereof shall be deemed to be in default.

Mineral Tax not paid deemed to be in default.

(2) Where the Mineral Tax or part thereof which is in default is payable—

(a) by an individual:

(b) by a partnership;

(c) by a company or body of persons,

then such individual, every partner of such partnership or every director or other principal officer of such company or body of persons as the case may be, shall be deemed to be a defaulter for the purposes of this Statute.

13. (1) Where any Mineral Tax is in default, the defaulter shall, in addition to such tax in default, pay as a penalty—

Penalty for default.

(a) a sum equivalent to ten per centum of the amount in default; and

(b) where any amount in default is not paid before the fifteenth day of the month succeeding the month in which such tax has begun to be in default, a further sum equivalent to two per centum of the amount in default in respect of each period ending on the fifteenth day of each succeeding month or part of such period during which it is in default :

Provided, however, that the total amount payable as penalty under this subsection shall in no case exceed fifty per centum of the Mineral Tax in default and any such amount may be waived or reduced if the Commissioner is satisfied that by reason of any special circumstances in which the default occurred a waiver or reduction of such amount would be just and equitable.

(2) Where upon the final determination of an appeal under the provisions of Northern Province Finance Statute, No. 1 of 2014, any Mineral Tax in default to which any sum or sums under subsection (1) has or have been added is reduced then such sum or sums shall be calculated on the Mineral Tax as so reduced.

Certain provisions of the Northern Province Finance Statute to apply.

14. The provisions of Chapters I, VII, IX, X, XXIV, XXV, XXVI, XXVII, XXVIII, XXXIII and XXXIV including provisions of Sub sections 10(4), (5), (6), (7), (8), (9), (10) of Chapter VI of the Northern Province Finance Statute, No. 1 of 2014, relating respectively to provisions of administration, assessments, finality of assessment and penalty for incorrect returns, special cases, penalties and offences, general matters, appeals to the Commissioner, appeals to the Board of Review, appeals to the High Court and recovery of tax, miscellaneous and interpretation shall *mutatis mutandis*, apply respectively to provisions of administration, assessments, finality of assessment and penalty for incorrect returns, special cases, penalties and offences, general matters, appeals to the Commissioner, appeals to the Board of Review, appeals to the High Court and recovery of tax, miscellaneous and interpretation under this Statute.

Interpretation.

15. In this Statute unless the context otherwise requires—

"**License**" means the license issued under Section 28 of the Mines and Mineral Act, No. 33 of 1992;

"**Minerals**" means including sand a naturally occurring substance that can be mined, whether in solid. Liquid or gaseous form, in or below the surface of the soil, any ores containing such minerals and any product of such minerals derived by Processing and include peat and salt but does not include hydrocarbons;

"**Mining**" means any mining carried out on the surface or underneath for the purpose of evaluation or obtaining of any minerals;

"**Minister**" means the Minister to whom the subject of Finance is assigned in the Board of Ministers of the Northern Province;

"**Quarter**" in relation to any year of assessment means the period of three months commencing on the first day respectively of April, July, October or January of that year of assessment; and

"**Person**" means includes anybody of persons corporate or unincorporate.

"**Commissioner**" means the Provincial Revenue Commissioner of the Northern Provincial Council.

Tamil text to prevail in case of inconsistency.

16. In the event of any inconsistency between the Tamil, Sinhala and English texts of this Statute, the Tamil text shall prevail.