



PUBLIC ENTERPRISES REFORM COMMISSION OF SRI LANKA

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BY HAND

6th January 2005

Mr. R.P.L. Weerasinghe
Commissioner General of Inland Revenue
Department of Inland Revenue,
Sir Chittampalam A Gardiner Mawatha,
Colombo 2.

Dear Sir,

Enforcement of Inland Revenue (Regulation of Amnesty) Act No. 10 of 2004

I write with reference to the telephone conversation had this morning, and congratulate you on your assumption of Office as the Commissioner General of Inland Revenue and wish you the very best.

As referred to in my telephone conversation, I enclose a copy of the repeated Notice, which appeared in the *Daily News* of today. There is no provision in the above Act for such Notice. I have discussed this with the Hon. Attorney General.

As you are aware, on the directions of Her Excellency the President, assistance was rendered in formulating the above Act, co-ordinating with Officers of your Department / Ministry of Finance and more particularly with the Officials of the Attorney General's Department and the Legal Draftsperson. Being intimately conversant with the facts and having been involved in the enactment of the above Act and knowing what was envisaged in terms of government policy, the following ought to be expeditiously pursued to enhance Tax Revenues and widen the Tax Net immediately

In terms of the provisions of the Act No. 10 of 2004, what is required to be done is that the **38,323 Declarations** made by persons, **who have Income Tax Files** be forwarded to the relevant Deputy Commissioner, under whose control and purview the said respective Tax Payers come, so that Income Tax Amnesty, after verification, calling for further particulars where necessary, could be granted upto 31.3.2002, **and the correct Income Taxes due to the State for the subsequent 2 Years of Assessment 2002/03 and 2003/04 and the quarterly payments for the Year of Assessment 2004/05 could be correctly assessed and collected.**

In respect of the **13,482 Declarations** made by persons, **who did not have Income Tax Files**, steps ought to be taken to distribute these Declarations to the relevant Deputy Commissioner, as per the categorisation of Income Tax Payers, *vis-à-vis*, the respective Units of your Department and to the relevant Regional Units of your Department, **for 13,482 New Income Tax Files to be opened**, so that Income Tax Amnesty, after verification, calling for further particulars where necessary, could be granted upto 31.3.2002, **and the correct Income Taxes due to the State for the subsequent 2 Years of Assessment 2002/03 and 2003/04 and the quarterly payments for the Year of Assessment 2004/05 could be correctly assessed and collected.**

I enclose copies of my Letters dated 10.12.2004, 14.12.2004 and 29.12.2004 addressed to your predecessor, for which regretfully, there was no response.

Wishing you the very best in your endeavours,

Yours faithfully,

Nihal Sri Ameresekere
Chairman