

Fees (taxes) levied on businesses

What is a business?

A business is a process of exchange of goods or services carried on for the purpose of earning some profit.

After a survey of the business carried on by a local authority within its jurisdiction, the business is mainly divided into three categories.

1. Business subject to trade license fee
2. Business subject to industry tax
3. Business subject to business tax

Businesses subject to a trade license fee

Among the businesses run in Balangoda Municipal Council, when a trade license is required to be obtained for the relevant year for running any business in accordance with the Local Council Act No. 15 of 1987 or the by-laws enacted thereunder, the license to be obtained for that is the trade license. The fee to be paid to the local authority is the trade license fee.

Why should I get a trade license?

- To conduct, control, administer and supervise all the business of the jurisdiction.
- To fulfill a legal requirement
- The trade license should have been obtained for the relevant year to ensure that the business is being run in a manner conducive to public health.

How to obtain a trade license?

- Correctly complete and submit the application form provided by the office
- Obtaining recommendation of Revenue Inspector and Public Health Inspector and Medical Officer of Health
- Issuance of trade license with fee on approval of Chairman/Secretary.

When a trade license is not obtained

- Is a criminal or illegal businessman.
- Prosecution under the Local Council Ordinance Act and obtaining a winding up order from the Magistrate Court to close down the business.

Advantages of getting a trade license

- Not being a criminal or illegal businessman.
- To create recognition that quality and hygienic services are provided to the general public.

Industry Tax and Business Tax

After a survey of the business premises, businesses of a licensing nature are segregated and then businesses of an industrial nature are segregated. All remaining business after such separation is subject to annual business tax.

Legal status for this

- As per the provisions of the Pradeshiya Sabha Act, the Maha Sabha resolution imposes the trade license fee/ industry tax/ business tax for the coming year.
- Gazette notification containing the proposal will be published in the promotion year for the coming year.
- Every place of business of any kind carried on within the jurisdiction of the local council is subject to the aforesaid trade license fee or industry tax or business tax.