

## Measures announced in Budget Speech 2023 - 2024

### PERSONAL INCOME TAX

#### 1. Income Exemption Thresholds

The exemption of Rs 325,000 granted to a taxpayer in respect of self has been replaced by a tax rate of 0 percent applicable on the first Rs 390,000 of chargeable income. An individual with no dependent having a net income of up to Rs 30,000 monthly, as compared to Rs 25,000 under the present system, will not pay any income tax.

#### 2. Deduction for dependents

Income exemption thresholds for categories B, C, D and E have been replaced by deduction for dependents. These amounts have remained unchanged, as per Table 1:

Table 1

Dependent	Amount of deduction (Rs)
1 dependent	110,000
2 dependents	190,000
3 dependents	275,000
4 or more dependents	355,000

#### 3. Other Reliefs and Deductions

All other personal reliefs and deductions have remained unchanged.

#### 4. Tax Rates

The tax rates applicable to individuals are as per Table 2:

Table 2

Chargeable Income	Rate of income tax	Chargeable Income	Rate of income tax
▪ First Rs 390,000	0%	▪ Next Rs 300,000	12%
▪ Next Rs 40,000	2%	▪ Next Rs 300,000	14%
▪ Next Rs 40,000	4%	▪ Next Rs 400,000	16%
▪ Next Rs 60,000	6%	▪ Next Rs 500,000	18%
▪ Next Rs 60,000	8%	▪ On the remainder	20%
▪ Next Rs 300,000	10%		

#### 5. Solidarity Levy

The solidarity levy has been abolished.

#### 6. Effective date

The changes will be effective as from income year starting on 1st July 2023, that is, on income received by an individual as from 1st July 2023.