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அரசு கணக்குகள் திணைக்களம்

Department of State Accounts

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Date } 06.01.2016

State Accounts Circular No:- 248/2016

All Secretaries to Ministries

Heads of Departments

District Secretaries,

Accounting the Value Added Tax

It has been observed that Ministries / Departments registered for the Value Added Tax adopt inconsistent methods for accounting of the Value Added Tax. Therefore it is emphasized that the Value Added Tax should be brought to accounts based on the following accounting method from the year 2016 for accounting of Value Added Tax on an accurate and uniform method.

- (1) Tax Control Account No.9185 is maintained for Value Added Tax.
- (2) Input taxes for the input value of the institution should be debited to this Control Account and the value of the output tax calculated on outputs should be credited to the same account.

Accordingly, VAT excluded expenditure should be debited to the object code and also the VAT deducted income value to be accounted.

- (3) At the end of each quarter, if the output tax value is higher than the input tax value, that excess amount should be remitted to the Department of Inland Revenue, and at the end of the year, if there is any input tax to be set off further, it can be carried forward, considering it as a part of the input tax in the coming period or periods.

Accordingly, Value Added Tax should be brought to accounts adopting the above mentioned procedure.

Sgd: D.M.A Harasgama
Director General

Copies:

(1) Auditor General	}	For your information
(2) Commissioner of Inland Revenue		