Suspend the liquor production license of the liquor manufacturing company which has not paid the due installment as per the schedule - Committee on Ways and Means directs the Excise Department

Date : 12-12-2023

- **Committee recommends to collect 173 billion of collectable taxes**
- **Take immediate steps to recover the due duty from the profiteering parties on import of wheat flour and sugar**

The Committee on Ways and Means of the Parliament directed the officials of Excise Department to suspend the liquor production license of the liquor manufacturing company that has not paid the due tax installment on 04.12.2023 according to the installment plan to pay the arrears of excise duty.

Furthermore, the committee asked why the relevant report was not provided by the Inland Revenue Department (IRD) as per the order made by the committee on 24.07.2023 to provide a list of tax payers whose taxes are 100 million rupees or more in arrears as of June 30, 2023. The related report was requested from the IRD in two sessions of the committee meetings, but so far it has not been received, the committee chair said. The IRD officials stated that they have sought the opinion of the Attorney General in that regard and the committee ordered the officials to provide the list to the committee before December 31 2023.

The Committee expressed its displeasure regarding not providing reports related to some of the recommendations given in relation to the Inland Revenue Department, asking for time, and not implementing the recommendations.

This was discussed when the Committee on Ways and Means met recently (06) under the chairmanship of Hon. Patali Champika Ranawaka.

The government had banned the import of wheat flour for companies other than Prima and Serendib, the main wheat importing companies, and during the ban, these two companies had accumulated large stocks of flour, and the committee emphasized that these companies have made a considerable profit by imposing a tax of Rs. 16/- per kg on wheat flour after the ban was lifted.

Furthermore, it was also discussed that by increasing the special commodity tax for sugar from 25 cents to 50 rupees, the relevant companies have earned a considerable amount of unfair profit by releasing nearly 8500 tons of sugar that had been imported and stored in the market. Therefore, in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, the committee again directed to take immediate steps to collect the prescribed tax related to the improper profit thus earned from the relevant parties in the above 3 cases.

In order to recover the arrears of the taxpayers who are evading taxes, the committee advised to

prepare a tax collection plan to recover the amount of 173 billion rupees in collectable taxes. The Chairman of the Committee recommended that the Ministry of Finance and the Inland Revenue Department should prepare this together and implement it before December 31.

Among the 39 recommendations made to the Excise Department, the committee questioned why the recommendation of the committee to increase the license renewal fee to a minimum of 10 million rupees has not been implemented so far. Also, the committee questioned the fact that although the committee had ordered to provide the committee with a list of individuals and companies in possession of more than one liquor license in one district, that order had not been implemented. The officials of the Excise Department stated that according to the data system of the Excise Department, it shows that there are no individuals and companies in possession of more than one liquor license in a district, and the Committee directed the Excise Department to inform the Committee in writing.

Furthermore, the Excise Department stated that there are currently 46 toddy production plants and a mobile app has been introduced as per the order made by the committee to prepare a system to monitor the 46 production plants on a daily basis and to calculate their daily production. The committee chair instructed the officers to present the mobile app to the committee.

Emphasizing the need to add artificial intelligence (AI) to scanners in the customs technical system, the chairman of the committee advised the officials to prepare a proposal for this under a public private joint project model under the guidance of IT consultants with the Ministry of Finance.

A follow-up on Disaster Management, Welfare Benefit Scheme and Social Services Department's survey involving urban beggars was also discussed in the Committee on Ways and Means.

Officials from the Ministry of Finance, Ministry of Defense, Inland Revenue Department, Excise Department, Sri Lanka Customs, Welfare Benefits Board were summoned for this committee. Members of Parliament Hon. Ashok Abeysinghe, Hon. Sanjeeva Edirimanna, Hon. Ishaq Rahman and Hon. Sudath Manjula were also present.