

Chapter VII

Treatment of Casual Receipts

Country	(i) Whether taxable; if yes, the kind of receipts regarded as taxable	(ii) Whether any special dispensation made as regards casual receipts.
Japan	<p>Income of an occasional nature which is not derived from regular profit making activities, includes:</p> <ul style="list-style-type: none"> (1) winnings gained from horse-races. (2) a prize in any contest, such as lottery, television or radio quiz programme. (3) proceeds derived by an employee from the investment in life insurance, mutual-aid life insurance, trusts or securities investment trust made by an employer for his employee's sake under the Employees' Assets Formation System. <p>The rate of tax is 50% of net income (gross receipts less necessary expenses applicable thereto) after subtracting 500,000 yen as the special deduction.</p>	<p>For the purpose of income tax, income of an occasional nature does not include:</p> <ul style="list-style-type: none"> (1) those items similar in nature to remuneration for personal services. (2) income derived from the alienation of properties. (3) Amount received in money or in kind for scholastic achievement such as the Nobel Prize or a grant for certain educational or scientific purposes. (4) Amount received by inheritance, bequest or donation from individual. (5) proceeds of injury insurance, compensation or consolation money for mental or physical injuries. (6) proceeds of casualty insurance, or compensation for accidental damage of properties (excluding amounts for the loss of prospective business profits caused by damage of inventories or other business assets).

Korea	Prizes on literary, academic, fine art, musical or photographic creative works and other works prescribed by Presidential Decree, or fees received by authors or artists and manuscript fees received for translation into a foreign language or into Korean of creative works or classic works of Korea, certain awards or compensation are excluded from taxable income.	
Sri Lanka		<p>Profits of a casual or non-recurring nature are excluded from business income. The mere fact that there is no likelihood or possibility that it will recur is not sufficient to treat a profit as a profit of a casual or non-recurring nature. The receipt should by its nature be incapable of recurrence.</p> <p>Income accruing to a person receiving instruction at any university or other educational establishment from a scholarship or other educational endowment, rewards paid to informants, other than public servants, under any scheme of Government, and any prize received at a lottery conducted by National Savings Bank are not taxable.</p>
U.K.	Reward for future service despite the element of non-recurrence and tips received by some employees are taxable.	Scholarship income and bursaries, wages in lieu of notice in most cases, sickness benefits under an insurance policy, certain social security benefits, and long service awards to employees are exempt.
U.S.A.	Lottery and gambling winnings, prizes and awards (except certain scholarship awards) are taxable.	Scholarships and fellowships granted after 16 August, 1986, are tax free only for degree

candidates.

Non-degree student awards before 17 Aug. 1986 qualify for tax free treatment up to an annual limitation.

Certain receipts in court actions for damages are tax-free.