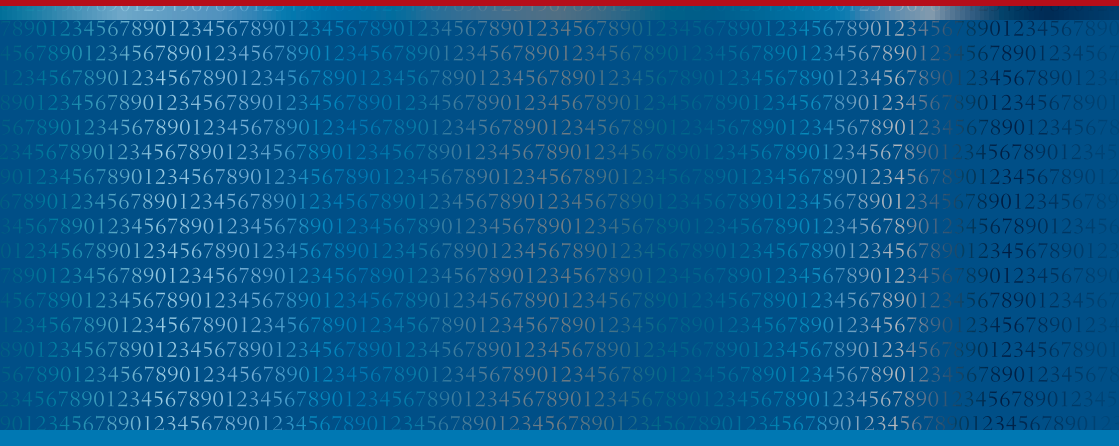


2013 Tax Statistics – Highlights

A joint publication between **National Treasury** and the **South African Revenue Service**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



South African Revenue Service

HIGHLIGHTS

ABOUT THE PUBLICATION

The *2013 Tax Statistics* is the 6th edition and provides an overview of tax revenue collections and tax return information for the period 2008/09 to 2012/13 and the 2009 to 2012 tax years respectively.

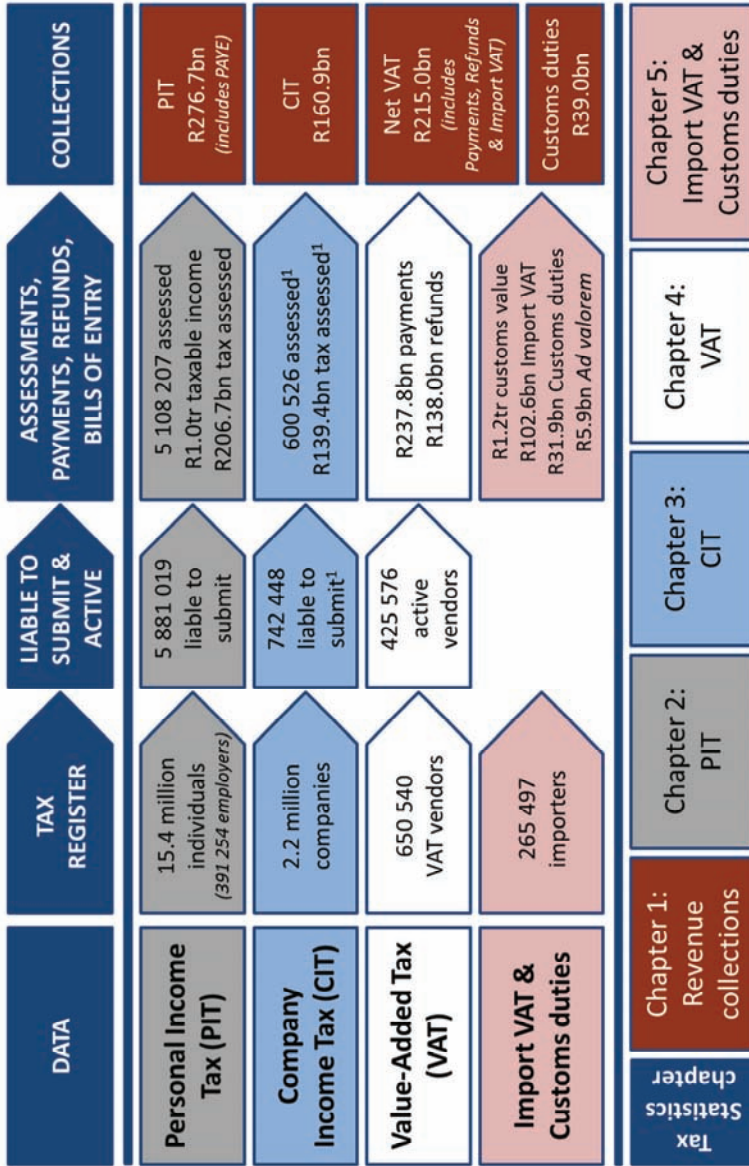
This publication provides tax revenue data at a more disaggregated level than statistics contained in other publications such as the National Treasury's Budget Reviews and SARS's Annual Reports.

The publication contains comprehensive data on tax revenue to aid policy makers and also inform the general public of policy choices that may be available to government in pursuit of financial stability and sustainability of South Africa. Editions of this document have been extensively referenced and used by the media, businesses, academia, various government and non-governmental organisations.

What's new since the last edition of Tax Statistics:

- Info-graphics giving highlights have been added at the beginning of each chapter.
- Additional tables on PIT deductions specifying the number of taxpayers and value of deductions per taxable income group for selected deductions have been included in *Chapter 2: Personal Income Tax*.
- A variety of new tables on Small Business Corporations (SBCs) have been included in *Chapter 3: Company Income Tax*.
- New information on components of output tax declared and input tax claimed is included in *Chapter 4: Value-Added Tax*.
- A brief discussion on the difference between Automotive Production and Development Programme (APDP) and the Motor Industry Development Programme (MIDP) has been included in *Chapter 5: Import VAT and Customs duties*.

2013 TAX STATISTICS AT A GLANCE: 2012/13 FISCAL YEAR & 2012 TAX YEAR



1. For the 2011 tax year.

HIGHLIGHTS

For the 2012/13 fiscal year:

**R813.8
BILLION**

Revenue collected during 2012/13 fiscal year



9.6%

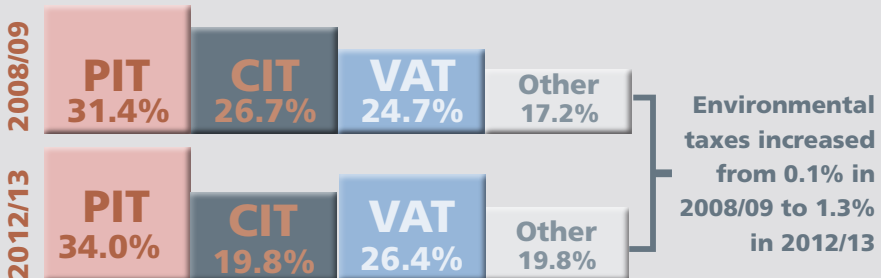
Higher by **R71.2 billion** against 2011/12



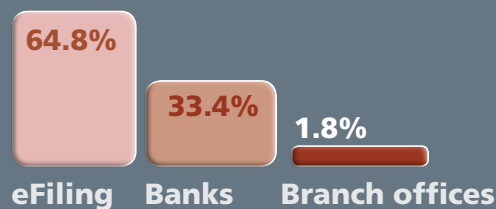
6.8%

Compound annual growth rate (CAGR) achieved for 2008/09 to 2012/13

Composition of main sources of tax revenue



PAYMENT CHANNELS



The value of payments at branch offices reduced drastically from a high of 21.8% in 2008/09 to only 1.8% in 2012/13

R45.3 BILLION



Tax relief provided to individuals during the period 2008/09 to 2012/13

COST OF REVENUE COLLECTED

Slight decline

1.11%
2011/12

1.07%
2012/13

HIGHLIGHTS

CHAPTER 1: REVENUE COLLECTIONS

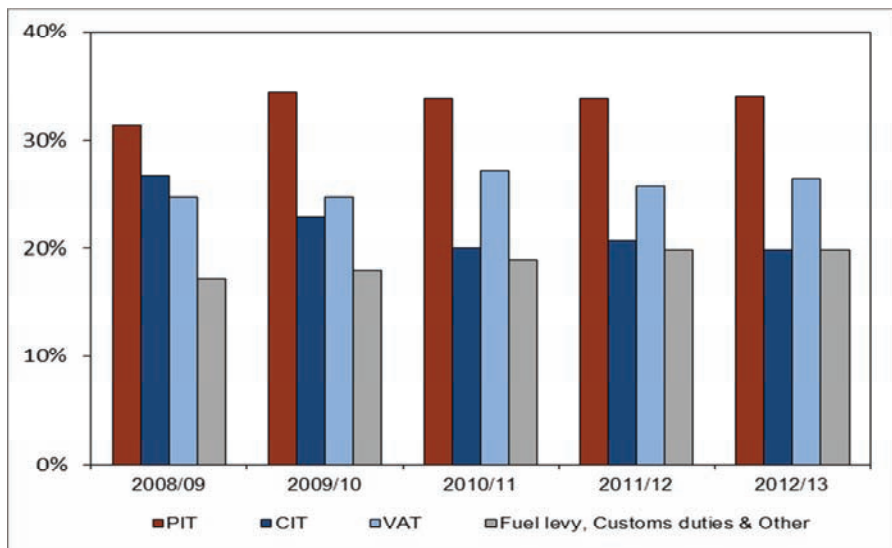
This chapter provides a summary of aggregate revenue collection trends for the period 2008/09 to 2012/13.

For the 2012/13 fiscal year:

- Tax revenue collected amounted to R813.8 billion and grew by R71.2 billion (9.6%) against the previous year;
- The tax-to-GDP ratio increased marginally from 25.0% in 2011/12 to 25.3% in 2012/13. This is close to the long-term average but well below the peak of more than 27% reached before the global financial crisis;
- The cost of revenue collection has remained relatively constant and in-line with the international benchmark for this ratio. It decreased slightly from 1.11% in 2011/12 to 1.07% in 2012/13;
- As a result of the requirement that employers have to register all employees as taxpayers regardless of tax liability, the individual tax register continued to grow strongly. The number of individuals registered for income tax as at 31 March 2013 increased by 1.7 million (12.5%) from 13.7 million in the previous year to 15.4 million;
- As at 31 March 2013, there were nearly 2.2 million registered companies (of which about 0.8 million were liable to submit returns) and nearly 0.7 million registered Value-Added Tax (VAT) vendors; and
- Capital Gains Tax (CGT) of R7.2 billion was raised in 2012/13 of which R2.2 billion was attributable to individuals and R5.0 billion to companies. This is slightly up from the R6.8 billion raised in 2011/12. A cumulative R50.1 billion has been raised since the inception of CGT in October 2001.

HIGHLIGHTS

Composition of main sources of tax revenue, 2008/09 – 2012/13



In addition to tax revenue SARS also collects other revenue as set out in the table below:

Illustration of budget revenue and consolidated revenue

| <u>REVENUE</u> | <u>COLLECTED BY SARS</u> |
|---|--|
| Tax revenue | All tax revenue |
| + Non-tax revenue | - Mineral and Petroleum Resource Royalties (MPRR) - Mining leases and ownership |
| - SACU payments | |
| = Budget revenue | |
| + Other revenue (provinces, social security, selected public entities) | Revenue collected on behalf of: - Unemployment Insurance Fund (UIF) - Road Accident Fund (RAF) |
| = Consolidated revenue | |

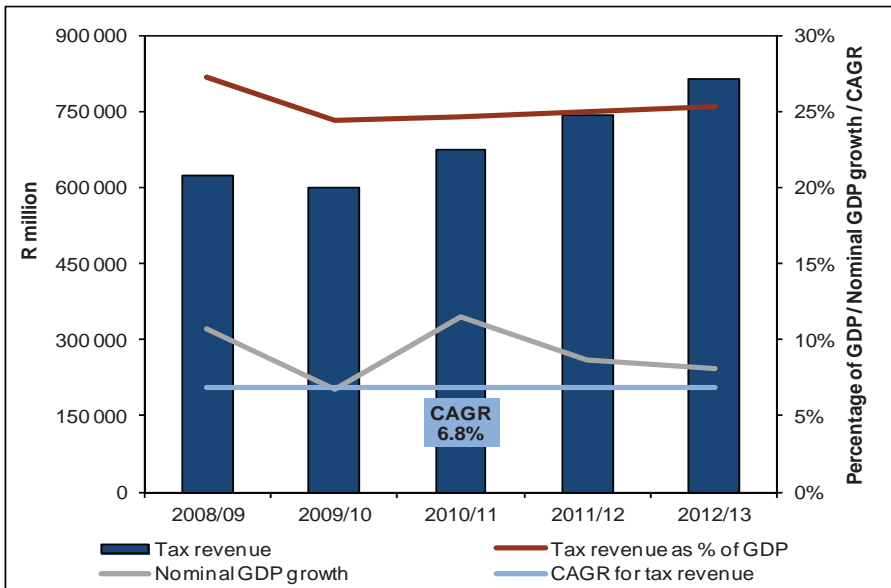
HIGHLIGHTS

Tax revenue, Budget revenue and Consolidated revenue, 2008/09 – 2012/13

| R million | Tax revenue | Non-tax revenue | Total tax and non-tax revenue | Less: SACU payments | Budget revenue | Other | Consolidated revenue |
|-----------|-------------|-----------------|-------------------------------|---------------------|----------------|--------|----------------------|
| 2008/09 | 625 100 | 12 616 | 637 716 | -28 921 | 608 796 | 74 673 | 683 468 |
| 2009/10 | 598 705 | 8 894 | 607 600 | -27 915 | 579 684 | 84 058 | 663 742 |
| 2010/11 | 674 183 | 13 460 | 687 643 | -17 906 | 669 738 | 87 776 | 757 513 |
| 2011/12 | 742 650 | 19 193 | 761 843 | -21 760 | 740 083 | 96 922 | 837 005 |
| 2012/13 | 813 826 | 15 394 | 829 220 | -42 151 | 787 069 | 88 920 | 875 989 |

The South African tax-to-GDP ratio decreased from a high of 27.2% in 2008/09, a level it had maintained in the preceding three years, to 24.4% in 2009/10. This decline was caused by revenue contracting during the global financial crisis. Much of this contraction was the result of lower CIT contributions due to declining company profits and assessed losses that were incurred during the recession. In 2012/13 the tax-to-GDP ratio increased slightly to 25.3%. This was driven by increased contributions from PIT and VAT.

Tax revenue collections, GDP and CAGR, 2008/09 – 2012/13



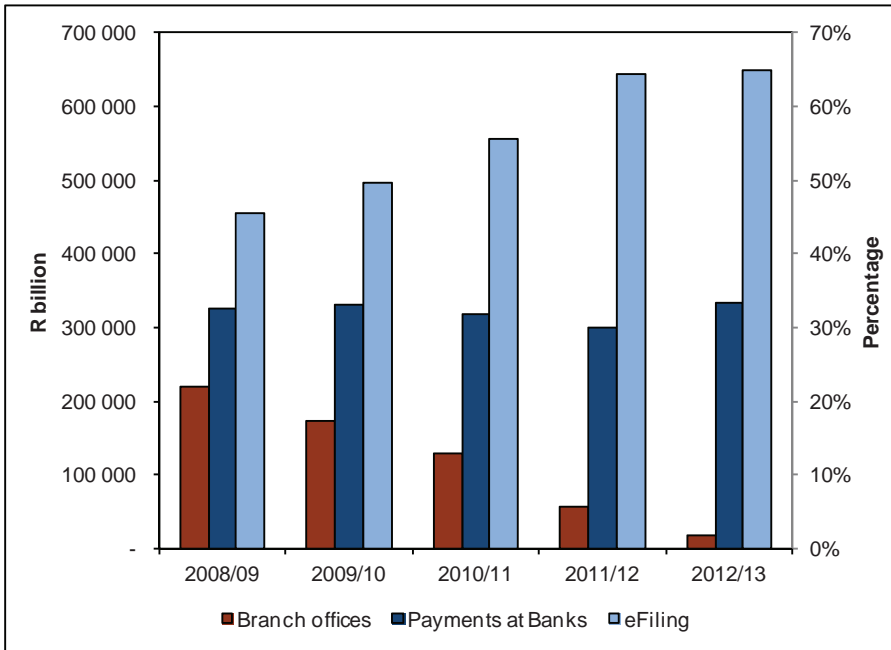
HIGHLIGHTS

The SARS Modernisation Programme has facilitated the migration of the majority of taxpayers to electronic payment platforms. This has reduced the risk associated with cash collections at branch offices. Payment methods other than branch payments are:

- An *eFiling* channel. This requires a taxpayer to register as an eFiling client in order to make electronic payments using this channel; and
- A *payment at bank* channel. This enables a taxpayer to make either an internet banking transfer or an over-the-counter deposit.

The eFiling channel accounted for 64.8% of the value of all payments in 2012/13. This is significantly higher than the 45.6% of the value of payments that were processed in 2008/09.

Composition of main channels of payment (value)



For the 2012 tax year:

86.9%
Assessed



Registered individual taxpayers = 13.7 million
Assessed taxpayers = 5.1 million

Aggregated taxable
income of assessed
individual taxpayers

**R1.0
trillion**

Tax liability of assessed
individual taxpayers

**R206.7
billion**

40.1%

Registered in
Gauteng

27.3%

Employed in Financing,
Insurance, real estate &
business service sector

27.5%

35 - 44 age
group

5.7%

289 476
Declared
business income

Of those
assessed...

13.8%
Had a zero assessment

70.0%

Received
refunds

16.2%

Owed SARS
some tax

**Largest
allowance**



Travel allowance
R26.1 billion
(31.5% of total
allowances assessed)

**Retirement
funding**



Contributions to
pension and retirement
annuity funds of R41.7
billion (31.4% of total
deductions granted)

Medical aid



R38.0 billion

Medical aid
paid on behalf
of employees
(76.9% of total
fringe benefits
assessed)

Largest deduction



Medical expenses

R60.6 billion
(45.7% of total
deductions granted)



56.4%
Males
assessed



43.6%
Females
assessed

32.5%

Growth in individual taxpayer register

34.0%

PIT largest source of revenue
(for 2012/13)

HIGHLIGHTS

CHAPTER 2: PERSONAL INCOME TAX

This chapter gives an overview of Personal Income Tax (PIT) revenues of registered individual taxpayers. It also provides information on assessed individual taxpayers, taxable income and tax assessed by taxable income group, income group, sector, province, age, gender and source of income, as well as on fringe benefits, allowances and deductions.

For the 2012 tax year the Budget as presented in February 2011 included:

- An increase in the threshold for the top PIT bracket to R580 000;
- Increases in the primary and secondary rebates to R10 755 and R6 012 respectively;
- The introduction of an additional tertiary rebate of R2 000 for taxpayers 75 years and above; and
- Increases in tax thresholds for taxpayers:
 - Below age 65: R59 750;
 - Age 65 to below 75: R93 150; and
 - Age 75 and above: R104 261.

Assessed data for individual taxpayers for the 2012 tax year shows:

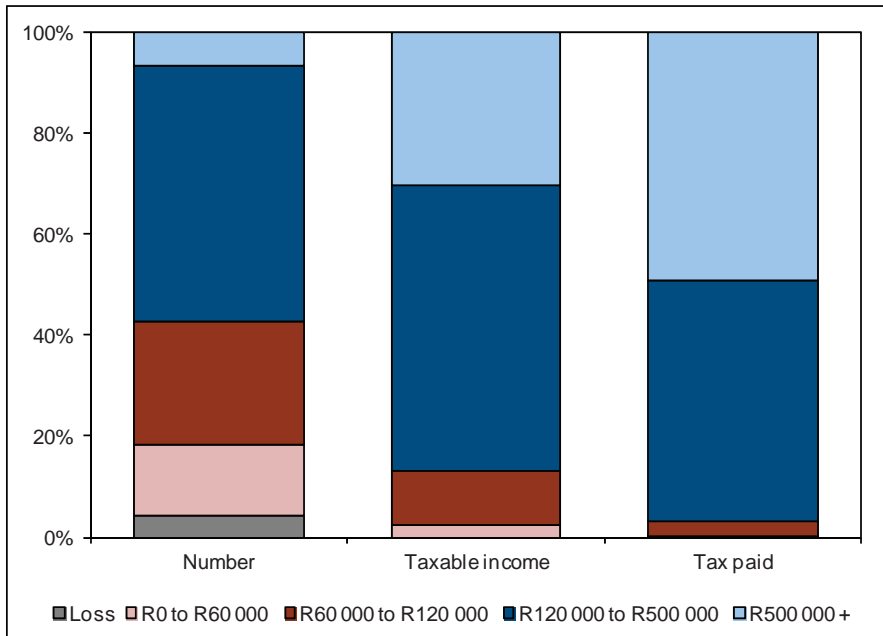
- Of the 5 881 019 taxpayers liable to submit returns, 5 108 207 (86.9%) have been assessed. A demographic and geographic analysis of individual taxpayers' assessments reveals;
 - 40.1% were registered in Gauteng;
 - 27.5% were in the 35-44 age group;
 - 56.4% were male;
 - 27.3% were employed in the *Financing, insurance, real-estate & business services* sector; and
 - 289 476 (5.7%) declared business income.
- The assessed taxpayers had aggregated taxable income of R1.0 trillion and a tax liability of R206.7 billion. This translates into an average tax rate of 20.2%;

HIGHLIGHTS

- Income from salaries, wages and remuneration, pension, overtime and annuities accounted for 79.0% of total taxable income;
- The largest allowance received was the travel allowance at R26.1 billion. This was 31.5% of the total allowances assessed;
- Medical aid paid on behalf of employees was the largest fringe benefit at R38.0 billion. This was 76.9% of the total fringe benefits assessed; and
- Medical expenses amounting to R60.6 billion (45.7%) and contributions to retirement funding (pension and retirement annuity funds) amounting to R41.7 billion (31.4%) constituted the largest deductions.

As at 31 March 2012 the PIT register had grown by 32.5% compared with the previous year to more than 13.7 million individual taxpayers.

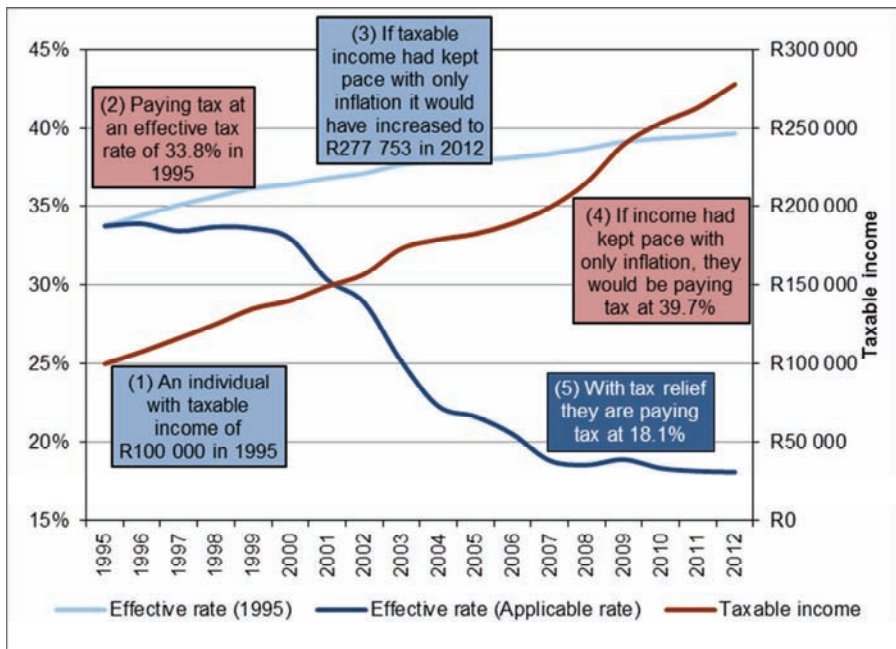
Distribution of taxpayers in taxable income groups, 2012



HIGHLIGHTS

The tax burden, aggregated over all taxpayers (as indicated by the tax assessed as percentage of taxable income), was stable during the period of review at around 21%. This indicates the effectiveness of using tax relief to combat fiscal drag. The extent of this tax relief, including fiscal drag relief is best illustrated by means of an example.

Example of tax relief granted to an individual with taxable income of R100 000 in 1995



The table on the next page illustrates the distribution of income and the granting of deductions in income groups (as opposed to taxable income groups). The largest portion of the R132.7 billion allowed as deductions in 2012 was granted to taxpayers in the R120 000 to R500 000 income bracket. About 12.4% of their income was granted as a deduction.

HIGHLIGHTS

Assessed taxpayers by income group, deductions granted & taxable income, 2012

| Tax year | 2012 | | | | |
|--------------|---|----------------------------------|--|---|----------------------------|
| | Income group | Number of taxpayers | Income before deductions (R million) | Deductions allowed (R million) | Taxable income (R million) |
| | <= 0 | 191 413 | -19 253 | 948 | -20 201 |
| | 1 – 60 000 | 621 761 | 20 237 | 1 873 | 18 364 |
| | 60 001 – 120 000 | 1 078 663 | 98 100 | 10 886 | 87 215 |
| | 120 001 – 500 000 | 2 789 367 | 664 144 | 82 598 | 581 546 |
| | 500 000 + | 427 003 | 393 447 | 36 434 | 357 013 |
| Total | | 5 108 207 | 1 156 675 | 132 739 | 1 023 936 |
| Income group | Average income per assessed taxpayer (Rand) | Average deduction allowed (Rand) | Average taxable income per assessed taxpayer | Percentage of income granted as a deduction | |
| | <= 0 | -100 585 | 4 952 | -105 537 | 4.9% |
| | 1 – 60 000 | 32 548 | 3 013 | 29 535 | 9.3% |
| | 60 001 – 120 000 | 90 946 | 10 092 | 80 854 | 11.1% |
| | 120 001 – 500 000 | 238 098 | 29 612 | 208 487 | 12.4% |
| | 500 000 + | 921 415 | 85 324 | 836 091 | 9.3% |
| Total | | 226 435 | 25 985 | 200 449 | 11.5% |

Liabe cases per tax year are now defined as all those taxpayers who have been assessed for a tax year, plus taxpayers who were assessed in any of the two years prior to the relevant tax year but excluding those whose status changed to “suspended” or “estate” prior to the commencement of the tax year in question. The definition “liable cases per tax year” includes taxpayers who fall below the R120 000 compulsory return submission threshold but who voluntarily submitted returns.

Number of individual taxpayers, 2009 – 2012

| Date | Registered | Percentage growth in register | Tax year | Liable to submit returns | Assessed | Percentage assessed |
|-----------|------------|-------------------------------|-------------------|--------------------------|-----------|---------------------|
| 31-Mar-09 | 5 540 646 | 6.5% | 2009 | 4 987 491 | 4 712 709 | 94.5% |
| 31-Mar-10 | 5 920 612 | 6.9% | 2010 | 5 285 734 | 5 001 558 | 94.6% |
| 31-Mar-11 | 10 346 175 | 74.7% | 2011 ³ | 5 639 197 | 5 199 360 | 92.2% |
| 31-Mar-12 | 13 703 717 | 32.5% | 2012 | 5 881 019 | 5 108 207 | 86.9% |

HIGHLIGHTS

For the 2011 tax year:

20.6%
2011/12

CIT - THIRD LARGEST CONTRIBUTOR TO TAX REVENUE

19.8%
2012/13

TOTAL CIT PROVISIONAL TAX COLLECTED

39.0%
1st Provisional period

56.8%
2nd Provisional period

4.3%
3rd Provisional period

NEARLY 2.2 MILLION COMPANIES ON REGISTER 2012/13

600 526

Were assessed (Majority of remainder inactive or dormant)

103 928

Assessed as Small Business Corporations

(using graduated tax rates as opposed to a fixed rate)

Contributions by financial year end

38.1% - December

21.4% - June

18.3% - February

TAXABLE INCOME REPORTED OF ALL COMPANIES

27.6%
Reported **POSITIVE** taxable income

33.3%
Reported **NEGATIVE** taxable income

39.1%
Reported **ZERO** taxable income

SECTOR CONTRIBUTIONS OF COMPANIES WITH ASSESSED LOSSES

Financing, insurance, real estate & business service sector
32.7%



Construction sector

11.9%



Retail trade sector

11.7%



HIGHLIGHTS

CHAPTER 3: COMPANY INCOME TAX

This chapter is an overview of Company Income Tax (CIT) revenues. It also provides information on provisional payments, assessed companies taxable income and tax assessed by taxable income group, sector and assessed losses. It also provides information on Small business corporations (SBCs).

Companies' assessed data for the 2011 tax year shows:

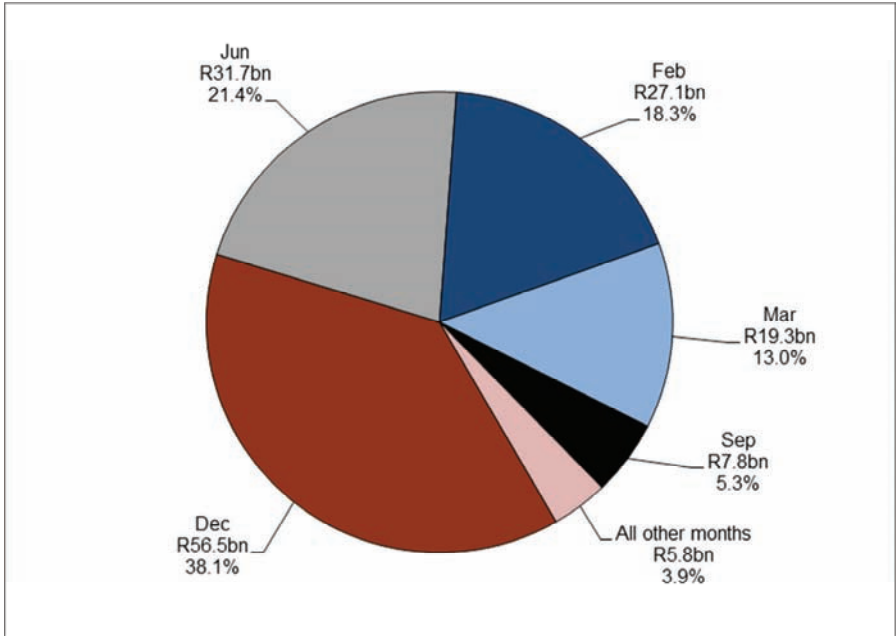
- About a third of the 600 526 companies assessed had positive taxable income, a further third had taxable income equal to zero and the remaining third was in an assessed loss position;
- CIT was the third largest contributor (20.6%) to tax revenue in 2011/12;
- The concentrated nature of the South African economy is evident as 266 large companies with taxable income of more than R200 million (0.2% of companies with positive taxable income), were liable for 58.2% of the tax assessed of companies with positive taxable income;
- The *Financial intermediation, insurance, real-estate & business services* sector comprised 254 066 (42.3%) of the assessed companies and was responsible for 36.8% of tax assessed; and
- Of the 600 526 companies assessed, 103 928 were assessed as SBCs and paid tax at graduated income tax rates instead of a fixed rate.

Provisional tax payments by provisional period, 2009 – 2012

| Period R million Fiscal year | 1st Provisional period | 2nd Provisional period | 3rd Provisional period | Total |
|------------------------------------|---------------------------|---------------------------|---------------------------|----------------|
| 2009 | 48 851 | 70 212 | 12 327 | 131 389 |
| 2010 | 50 131 | 72 330 | 8 273 | 130 733 |
| 2011 | 57 797 | 84 205 | 6 366 | 148 368 |
| 2012 | 65 646 | 84 721 | 3 381 | 153 748 |
| Percentage of total | | | | |
| 2009 | 37.2% | 53.4% | 9.4% | 100.0% |
| 2010 | 38.3% | 55.3% | 6.3% | 100.0% |
| 2011 | 39.0% | 56.8% | 4.3% | 100.0% |
| 2012 | 42.7% | 55.1% | 2.2% | 100.0% |

HIGHLIGHTS

Provisional tax payments by company financial year end, 2011



Provisional tax collections for previous tax years have been found to be close to 100% of the final liability as reflected in issued assessments. Provisional tax collections for a specific tax year are therefore known long before assessments for a tax year are carried out and this enables reliable extrapolations. The tax assessed as a percentage of the provisional tax payments received for the relevant tax year is therefore a more reliable gauge for determining the completeness of the issued assessments.

Provisional tax payments and tax assessed by tax year, 2009 – 2012

| R million | Provisional tax payments | Tax assessed | Tax assessed as % of provisional tax payments |
|-----------|--------------------------|--------------|---|
| 2009 | 131 389 | 129 653 | 98.7% |
| 2010 | 130 733 | 126 275 | 96.6% |
| 2011 | 148 368 | 139 355 | 93.9% |
| 2012 | 153 748 | 84 955 | 55.3% |

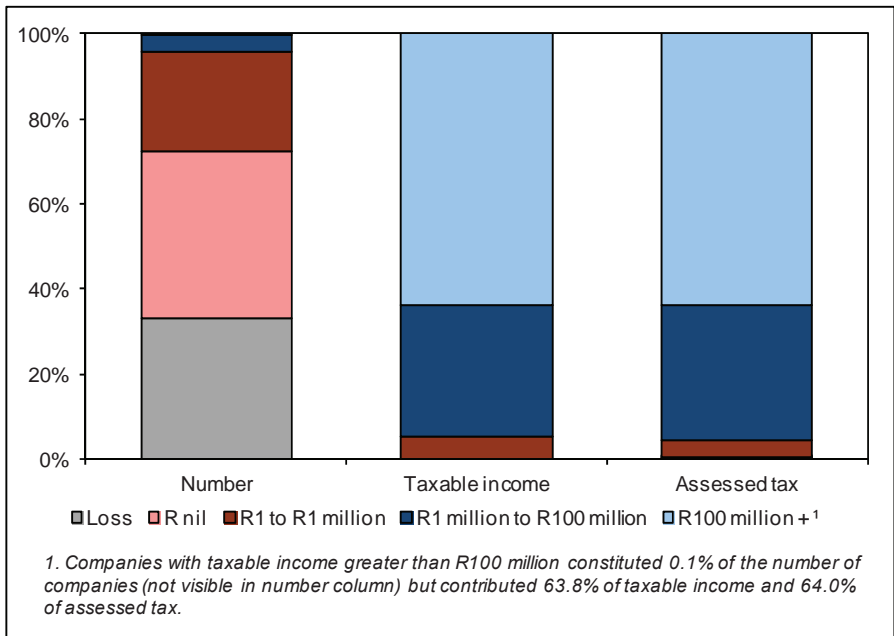
HIGHLIGHTS

Liabe cases per tax year are now defined as all those companies who have been assessed for a tax year, plus companies who were assessed in any of the two years prior to the relevant tax year but excluding those whose status changed to “suspended” or “estate” prior to the commencement of the tax year in question.

Assessments for 2011 resulted in 13.0% of taxpayers receiving refunds, 15.9% owing SARS after assessment and 71.0% having no liability after assessment.

The figure below provides the distribution of the number of companies assessed, their taxable income and the tax assessed for the 2012 tax year.

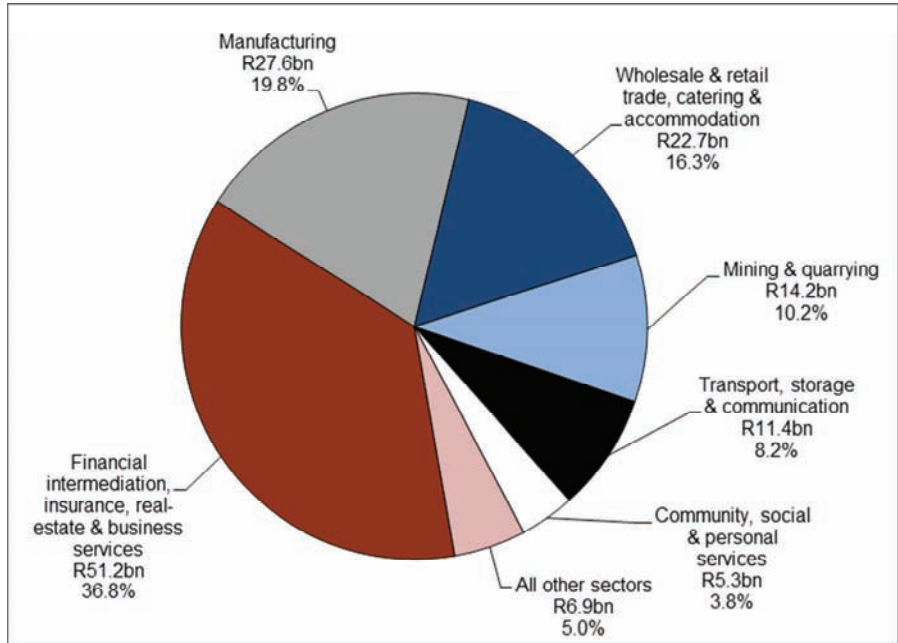
Number of assessed companies and tax assessed, 2011



HIGHLIGHTS

The *Financial intermediation, insurance, real-estate & business services* sector is the largest sector with 42.3% of the total number of assessed companies in 2011. This sector accounts for 36.8% of the tax assessed in the 2011 tax year

Companies' tax assessed by economic activity, 2011



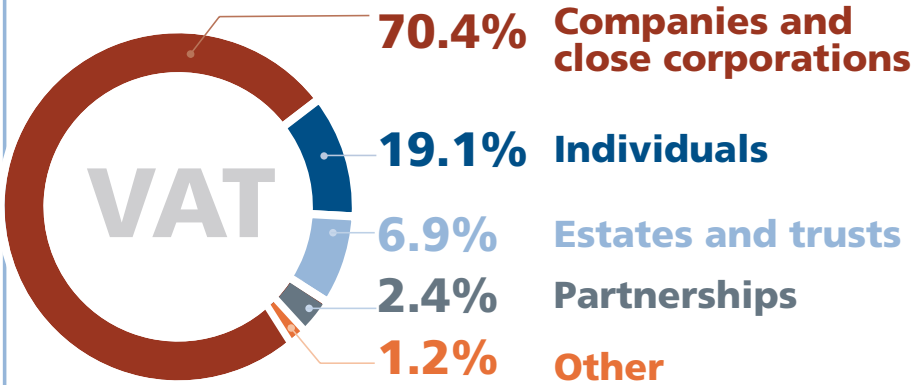
Companies can elect to be taxed as SBCs if they meet certain criteria. These include amongst others, an annual turnover of less than R14 million and limited shareholding. This choice to be taxed as a SBC must be exercised on an annual basis.

SBCs benefit from graduated income tax rates instead of having fixed tax rates. They also qualify to immediately write-off all plant or machinery used in a process of manufacture and also for an accelerated write-off allowance for depreciable assets (50%:30%:20%)

HIGHLIGHTS

650 540 Registered VAT vendors

425 576 (65.4%) were active



86.9%



Vendors registered on bi-monthly category that make payments and receive refunds

43.6%



VAT vendors with a turnover of R1 million or less

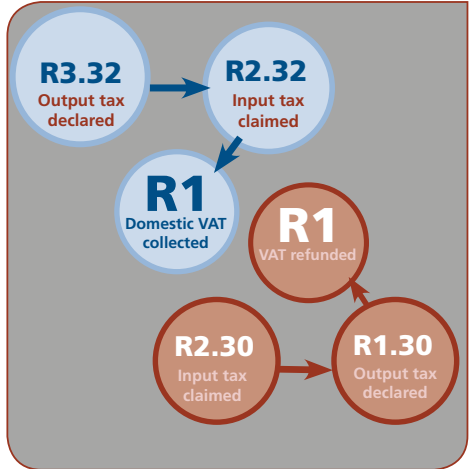
9.0%

Vendors registered on monthly category making payments and receiving refunds

Account for **75.1%** of VAT payments



Account for **87.5%** of VAT refunds



HIGHLIGHTS

CHAPTER 4: VALUE-ADDED TAX

This chapter gives an overview of Value-Added Tax (VAT) and provides a breakdown of VAT payments and refunds by sector, payment category and type of enterprise. It also includes data on input and output tax as derived from VAT returns submitted by vendors as well as a distribution of VAT vendors by turnover group.

For the 2012/13 fiscal year:

- Net VAT growth of 12.6% against the previous year resulted from a 10.1% increase in VAT payments and a 9.4% increase in Import VAT and was moderated by a 6% increase in VAT refunds;
- The sectors that contributed to the growth in Domestic VAT payments were mainly the *Financial intermediation, insurance, real-estate & business services, Wholesale & retail trade, catering & accommodation* and *Manufacturing* sectors. This was partially offset by declines in the *Electricity, gas and water* and *Transport, storage & communications* sectors;
- VAT refunds grew in the *Financial intermediation, insurance, real-estate & business services, Wholesale & retail trade, catering & accommodation* and *Manufacturing* sectors; and
- There were 650 540 registered VAT vendors of which 425 576 (65.4%) were active. Key statistics were:
 - VAT vendors that submitted returns on a bi-monthly basis (every two months) accounted for 86.9% of active vendors;
 - Although only 9.0% of VAT vendors submitted returns on a monthly basis, they contributed 75.1% of VAT payments and received 87.5% of VAT refunds;
 - Companies and close corporations comprised 70.4% of VAT vendors, individuals 19.1%, estates and trusts 6.9% and partnerships 2.4%. The balance consisted of VAT vendors from other enterprise types;

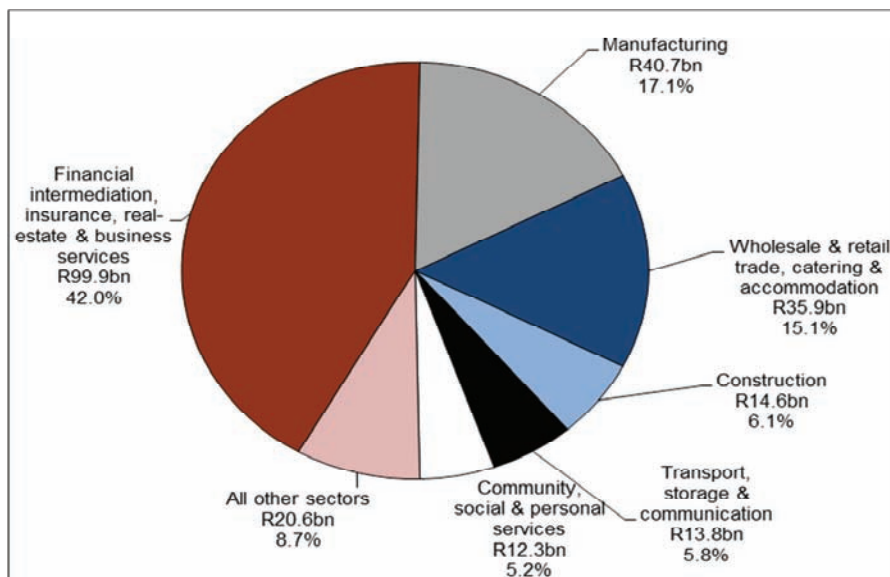
HIGHLIGHTS

- The number of VAT vendors in the *Financial intermediation, insurance, real-estate & business services* sector were the largest, constituting 41.4% of the total number of VAT vendors;
- VAT vendors with a turnover of R1 million or less constituted 43.6% of the total number of VAT vendors;
- For each R1 in Domestic VAT collected, R3.32 in output tax was declared and R2.32 in input tax was claimed; and
- For each R1 in VAT refunded, R1.30 in output tax was declared and R2.30 in input tax was claimed.

Number of registered VAT vendors

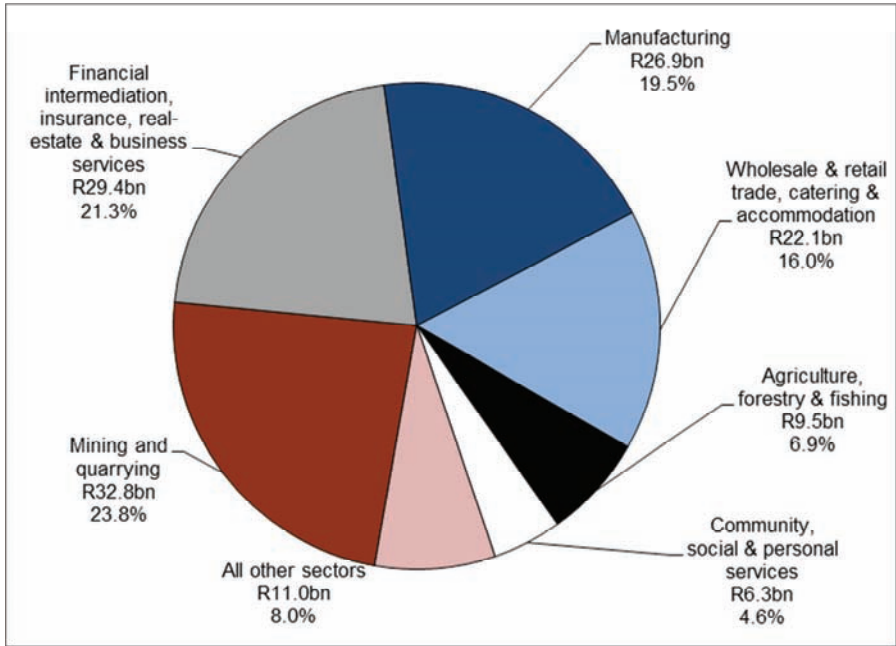
| Fiscal year | Registered | Active vendors | Percentage of registered |
|-------------|------------|----------------|--------------------------|
| 2009/10 | 685 523 | 493 098 | 71.9% |
| 2010/11 | 664 267 | 466 085 | 70.2% |
| 2011/12 | 652 349 | 439 170 | 67.3% |
| 2012/13 | 650 540 | 425 576 | 65.4% |

VAT payments by economic activity, 2012/13



HIGHLIGHTS

VAT refunds by economic activity, 2012/13



The relationship between output and input tax is best illustrated by calculating how much output tax is declared to finally collect R1 in Domestic VAT and how much input tax is claimed to refund R1 in VAT.

For each R1 in domestic VAT collected in 2012/13:

- R3.32 in output tax was declared; and
- R2.32 in input tax was claimed.

For each R1 in VAT refunded in 2012/13:

- R1.30 in output tax was declared; and
- R2.30 in input tax was claimed.

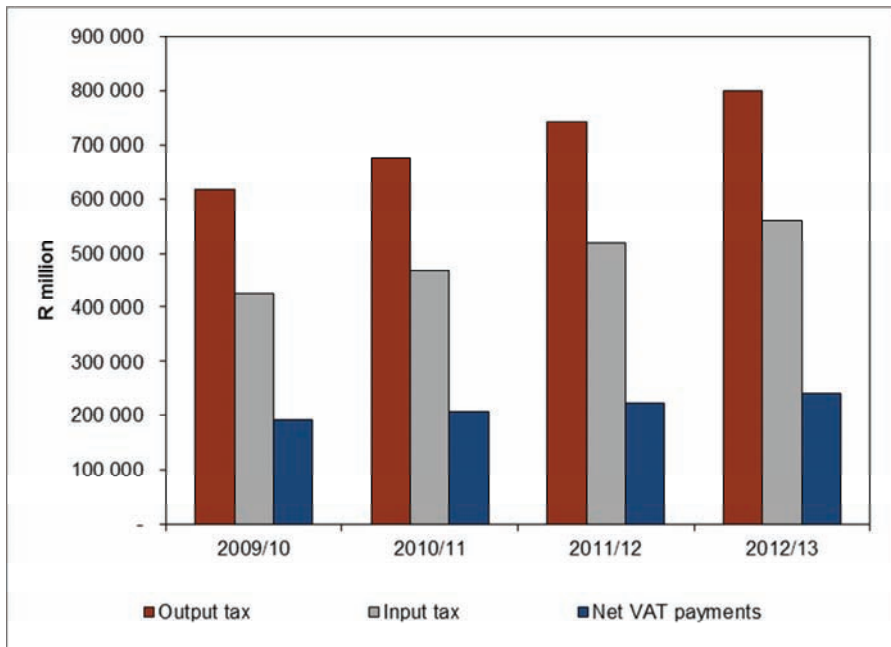
HIGHLIGHTS

Output/input tax declared for each R1 Domestic VAT collected and refunded, 2009/10 – 2012/13

| Rand | For each R1 | | | | | |
|-------------|--|--|------------------|--|--|------------------|
| | VAT payments there is input tax claimed of | VAT payments there is output tax declared of | Net VAT payments | VAT refunded there is input tax claimed of | VAT refunded there is output tax declared of | Net VAT refunded |
| Fiscal year | | | | | | |
| 2009/10 | -2.22 | 3.22 | 1.00 | -2.29 | 1.29 | -1.00 |
| 2010/11 | -2.27 | 3.27 | 1.00 | -2.40 | 1.40 | -1.00 |
| 2011/12 | -2.34 | 3.34 | 1.00 | -2.32 | 1.32 | -1.00 |
| 2012/13 | -2.32 | 3.32 | 1.00 | -2.30 | 1.30 | -1.00 |

During 2012/13 the supply of standard-rated goods and services contributed 96.0% of the total output tax, while 78.5% of input tax was claimed for the purchase of goods and services.

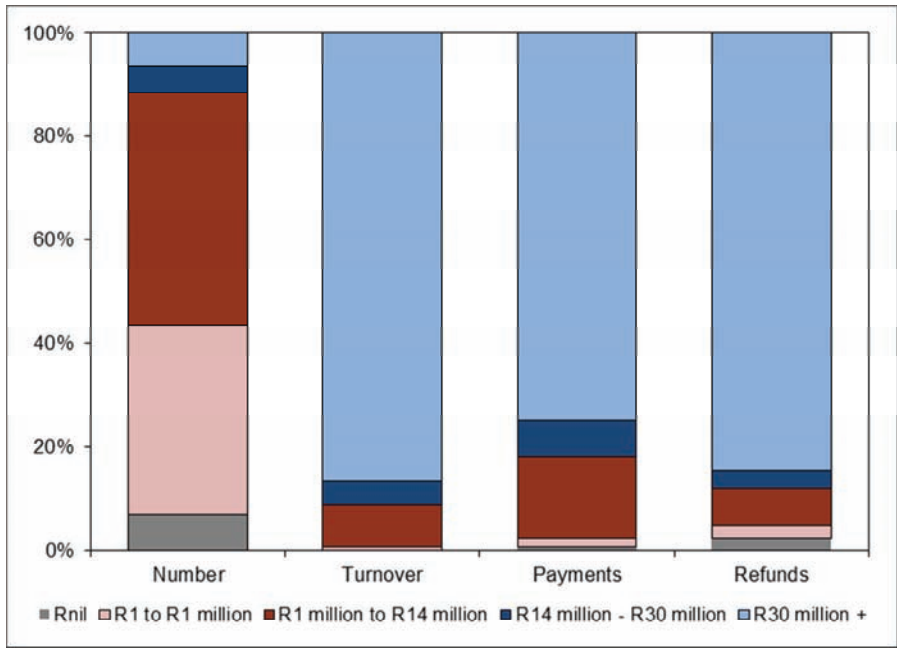
Composition of domestic VAT payments (output/input), 2009/10 – 2012/13



HIGHLIGHTS

In 2012/13, 43.6% of VAT vendors had a turnover of R1 million or less. These vendors, however, accounted for only 2.3% of Domestic VAT payments and 4.8% of VAT refunds. In contrast, 2.2% of VAT vendors that had an annual turnover greater than R100 million accounted for 62.2% of Domestic VAT payments and 76.7% of refunds.

Distribution of vendors by turnover groupings, 2011/12



Vendors per annualised turnover (payments and refunds), 2009/10 – 2012/13

| R million | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
|----------------------|---------------|----------------|---------------|---------------|
| Number of vendors | 493 098 | 466 085 | 439 170 | 425 576 |
| Turnover | 7 093 057 | 7 567 219 | 8 642 000 | 9 418 126 |
| Payments | 195 585 | 205 508 | 219 851 | 237 790 |
| Refunds | -115 184 | -103 147 | -129 892 | -137 998 |
| Net VAT | 80 402 | 102 361 | 89 960 | 99 792 |
| Net as % of turnover | 1.1% | 1.4% | 1.0% | 1.1% |

HIGHLIGHTS

For the 2012/13 fiscal year:

9.4%

**Registered number of importers
= 265 497**

29.0%

Growth of Import VAT y/y due to

- Strong imports in capital equipment and vehicles
- Gains also from deteriorating domestic currency

Machinery, mechanical appliances and electrical equipment contributed most to Import VAT



Vehicles, aircraft, vessels & associated transport equipment

70.8%



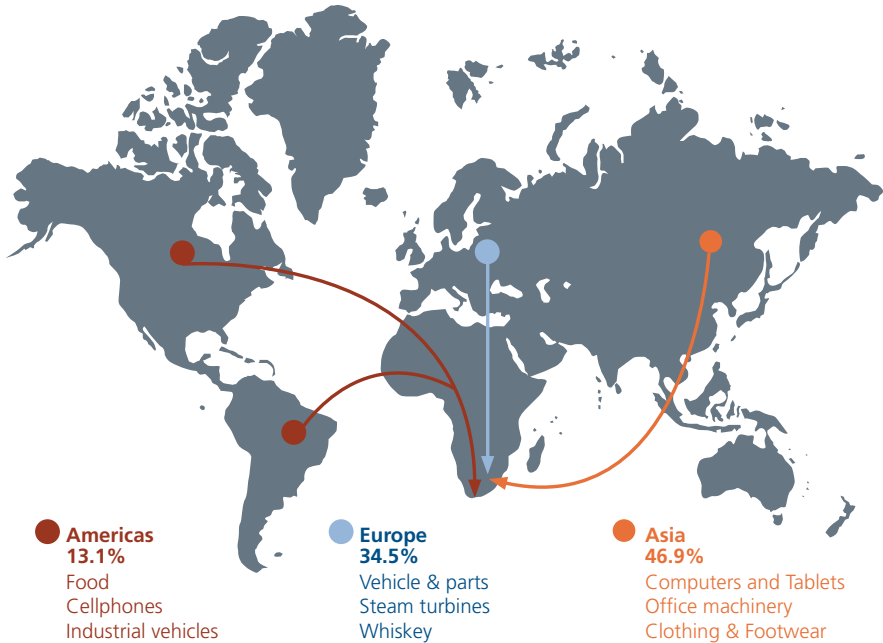
Main contributor to Ad valorem Import duties

32.5%

Accounted for Customs duties

Of the total Import VAT, Customs duties and Ad valorem import duties

The main contributors by world zone are:



HIGHLIGHTS

CHAPTER 5: IMPORT VAT AND CUSTOMS DUTIES

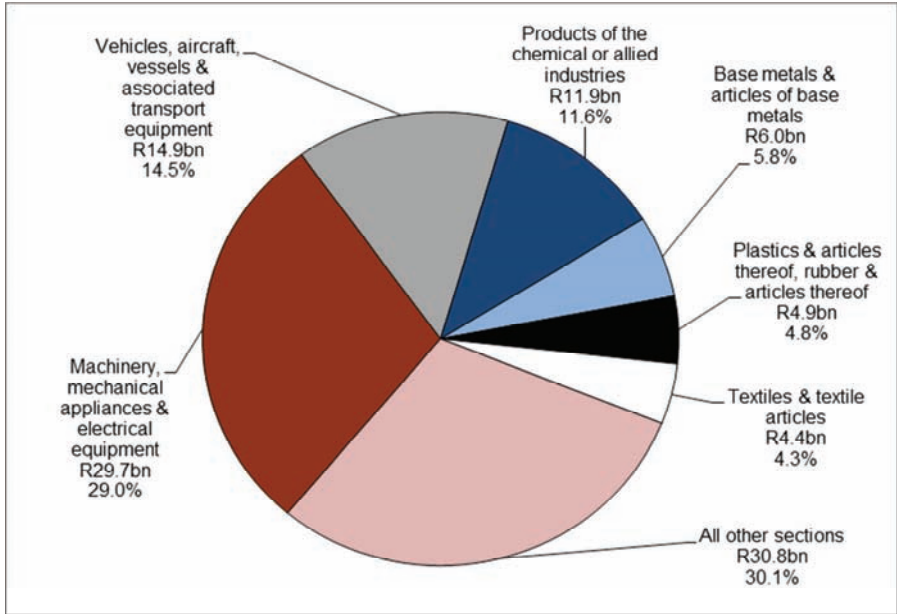
This chapter provides information on the Customs value, Import VAT, Customs duty and *Ad valorem* import duty (Duty 1-2B) revenues by HS section, world zone, country of origin as well as for selected trade blocs.

For the 2012/13 fiscal year:

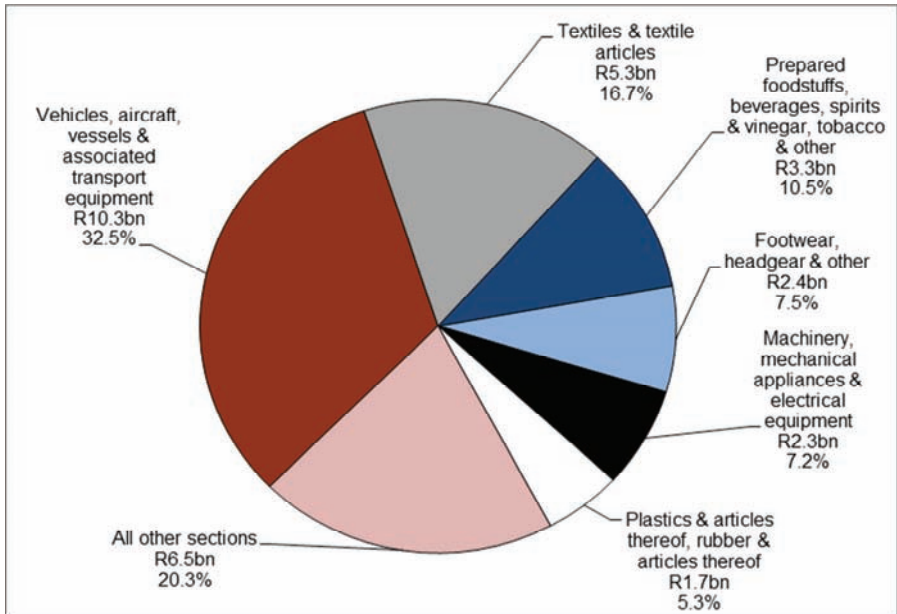
- Import VAT grew by 9.4% compared with the previous year mainly as a result of strong imports in capital equipment and vehicles as well as gains from a deteriorating domestic currency;
- *Machinery, mechanical appliances & electrical equipment* contributed the most to Import VAT at 29.0%;
- *Vehicles, aircrafts, vessels & associated transport equipment* accounted for 32.5% of Customs duties and was the main contributor to *Ad valorem* import duties (Duty 1-2B) at 70.8%;
- Imports from Asia and Europe world zones accounted for 81.4% of the combined total Import VAT, Customs duties and *Ad valorem* import duties (Duty 1-2B);
- On a country basis most imports originated from China and Germany. China accounted for 21.8% of the combined total Import VAT, Customs duties and *Ad valorem* import duties (Duty 1-2B) and Germany 12.4%; and
- About 73% of all Import VAT collected was claimed as input VAT by vendors. The remaining Import VAT was paid by State departments, vendors making exempt supplies and importers not registered for VAT. Note that there may also have been erroneous classifications of input VAT. Around 61% of the Import VAT claimed as input VAT by vendors was claimed on VAT returns of vendors in a refund position. The balance was set off against output VAT on VAT returns reflecting payment due. As a result, about 45% of Import VAT was claimed on a VAT refund return.

HIGHLIGHTS

Import VAT by HS section, 2012/13



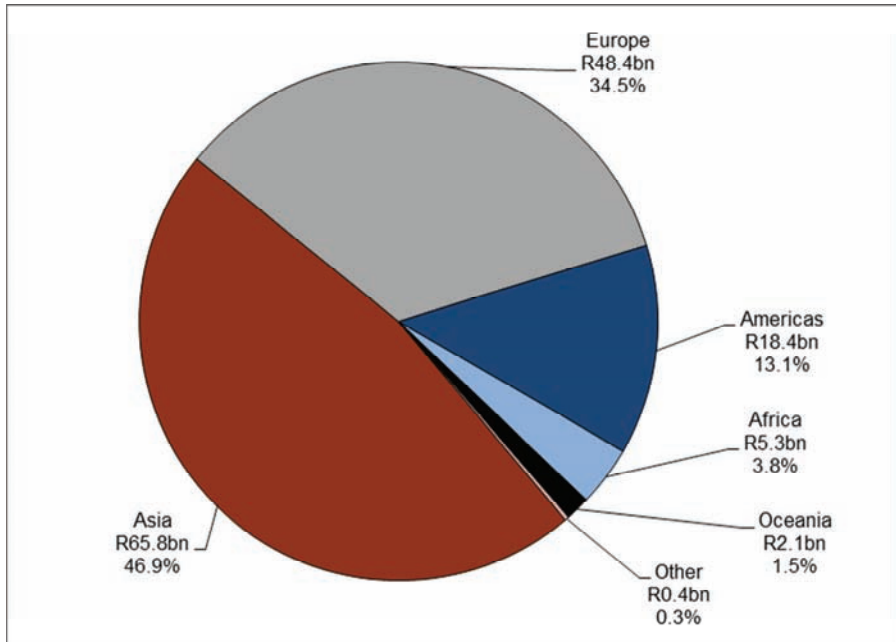
Customs duties by HS section, 2012/13



HIGHLIGHTS

Imports from Asia accounted for 46.9% of the combined total Import VAT, Customs duties and *Ad valorem* import duties (Duty 1-2B), followed by Europe at 34.5% and the Americas at 13.1%.

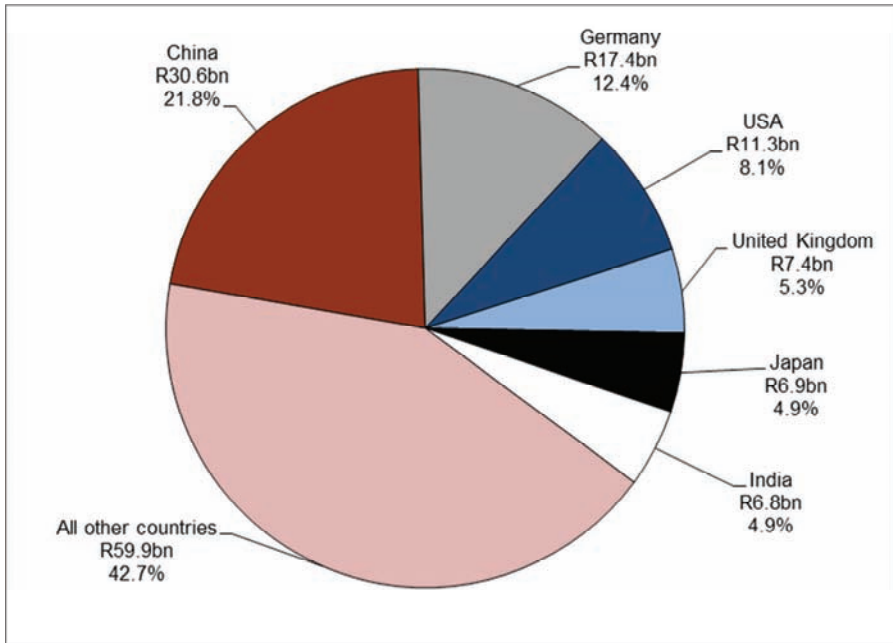
Import VAT, Customs duties and *Ad valorem* import duties by world zone, 2012/13



The top five countries of origin - China, Germany, USA, UK and Japan - account for more than half of the combined total Import VAT, Customs duties and *Ad valorem* import duties (Duty 1-2B) for 2012/13

HIGHLIGHTS

Import VAT, Customs duties and *Ad valorem* import duties by country of origin, 2012/13



The Motor Industry Development Programme (MIDP) was introduced in 1995 to modernise South Africa's motor industry and create a platform to enable it to become a reliable producer and supplier to the global market. Incentives developed under that programme were significant. However, the MIDP ended in 2012.

Its successor, the Automotive Production and Development Programme (APDP), aims to create a platform for the production of greater local content. This programme is scheduled to run until 2020.

The 2013 Tax Statistics publication is compiled with the latest available data from the South African Revenue Service (SARS) and National Treasury. Some of the data may be incomplete and subject to revision.

The tables in Excel format are available for download on the websites of SARS and National Treasury

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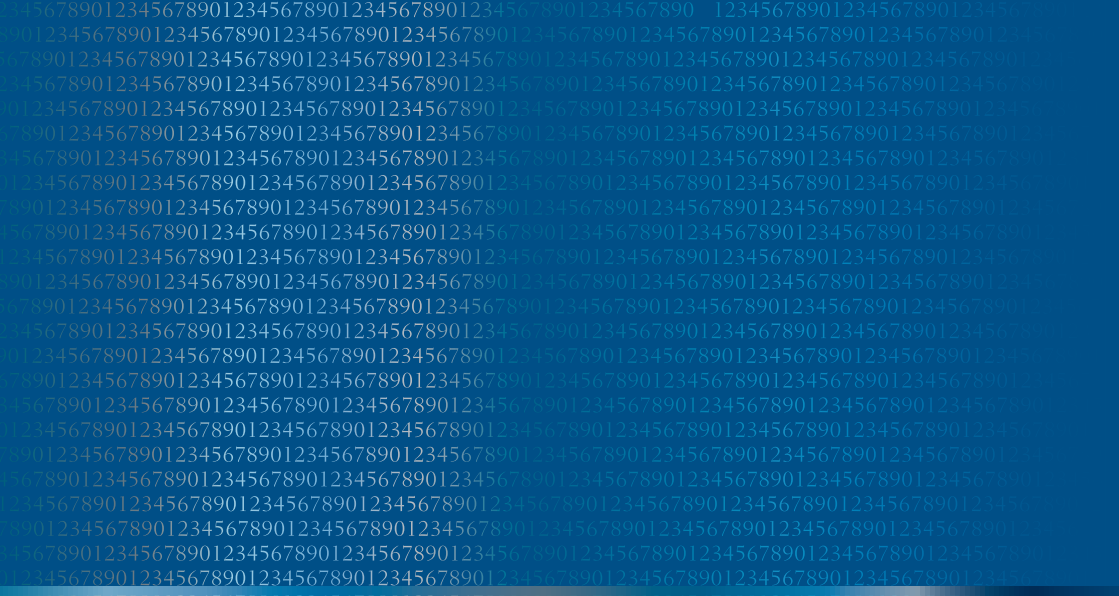
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