2014
Tax Statistics – **Highlights**

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

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

SARS
South African Revenue Service

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The 2014 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 dowload on the websites of SARS and National Treasury

Published by the National Treasury and SARS.
November 2014

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ABOUT THIS PUBLICATION

The *2014 Tax Statistics* is the seventh edition of this publication and provides an overview of tax revenue collections and tax return information for the 2010 to 2013 tax years as well as the 2009/10 to 2013/14 fiscal years.

This publication contains more detailed and varied tax revenue data than publications such as the National Treasury's Budget Reviews and SARS' Annual Reports.

The objective of this publication is to present comprehensive tax revenue data in a manner that will complement and help contextualise economic and demographic data provided by other publications. Feedback from a variety of sources indicates that Tax Statistics also provides valuable insights into socio-economic trends.

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:

- A breakdown of the different components of Fuel levy has been included in Chapter 1;
- A graphical representation of assessed individuals by municipality, based on residential information, has been included in Chapter 2;
- The impact of medical credits on taxable income has been included in Chapter 2;
- An analysis of taxpayers below 65 years of age (in the 2013 tax year) who had been assessed for all the tax years from 2004 to

2013 has been included in Chapter 2 to illustrate the movement of taxpayers' taxable income and their tax liability;

- A high level analysis based on tax certificates (IRP5s) issued to individuals has been included in Chapter 2;
- Chapter 6 is a new chapter that contains data on taxes such as Capital Gains Tax (CGT), Transfer duty, Mineral and Petroleum Resources Royalty (MPRR), Southern African Customs Union (SACU) payments and Diesel refunds. Most of these taxes were previously covered in less detail in Chapter 1 in previous editions;
- A table that sets out the number of transactions and property values as well as, where applicable, Transfer duty, in property value groupings, has been included in Chapter 6; and
- A table displaying claims from vendors registered for Diesel rebates, set out in value groupings that distinguish between on land, offshore and rail claimants, has been included in Chapter 6.

In February 2014 the IMF launched the Tax Administration and Diagnostic Tool which define the filing rate for CIT and PIT as the extent to which returns expected from registered taxpayers are filed. A similar interpretation has been adopted in this edition of the Tax Statistics and the term "liable to submit" has been replaced with "expected to submit."

2014 TAX STATISTICS AT A GLANCE

DATA	TAX REGISTER AS AT MARCH 2014	EXPECTED TO SUBMIT & ACTIVE	ASSESSMENTS, PAYMENTS, REFUNDS, BILLS OF ENTRY	COLLECTIONS FOR 2013/14
PIT	16.8 mil individuals (407 066 employers)	6.5 mil expected to submit[1]	5.2 mil assessed[1] R1.2tr taxable income[1] R226.3bn tax assessed[1]	PIT R310.9bn (includes PAYE)
CIT	2.7 mil companies	790 218 expected to submit[2]	625 808 assessed[2] R149.4bn tax assessed[2]	CIT R179.5bn
VAT	662 194 VAT vendors	420 785 active vendors[3]	R262.1bn payments[3] R158.0bn refunds[3]	Net VAT R237.7bn (includes payments, refunds & Import VAT)
Import VAT & Customs duties	272 544 importers		R1.5tr Customs value[3], R130.4bn Import VAT[3], R38.5bn Customs duties[3], R8.0bn Ad valorem[3]	Customs duties R44.2bn

Tax Statistics chapters	Chapter 1: Revenue collections	Chapter 2: PIT	Chapter 3: CIT	Chapter 4: VAT	Chapter 5: Import VAT & Customs duties	Chapter 6: Other Taxes and Collections[4]

1. *For the 2013 tax year*
2. *For the 2012 tax year*
3. *For the 2013/14 fiscal year*
4. *New chapter includes CGT, Transfer duties, MPRR, SACU and Diesel refunds*

For the 2013/14 fiscal year:

Revenue collected during 2013/14 fiscal year

R900.0 BILLION

10.6%

Higher by R86.2bn against 2012/13

10.7%

Compound annual growth rate (CAGR) achieved for 2009/10 to 2013/14

Composition of main sources of tax revenue

2009/10

PIT 34.5%
CIT 22.9%
VAT 24.7%
Other 17.9%

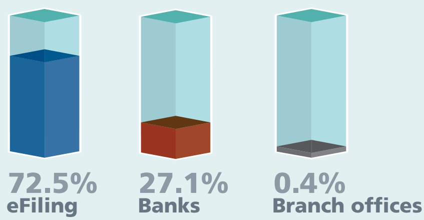
2013/14

PIT 34.5%
CIT 19.9%
VAT 26.4%
Other 19.2%

Environmental taxes increased from 0.7% in 2009/10 to 1.3% in 2013/14

Payment Channels

The value of payments at branch offices reduced from a high of 17.2% in 2009/10 to only 0.4% in 2013/14



R45.0 BILLION

Tax relief provided to individuals during the period 2009/10 to 2013/14

COST OF REVENUE COLLECTIONS

Declined

1.17%	0.97%
2009/10	2013/14

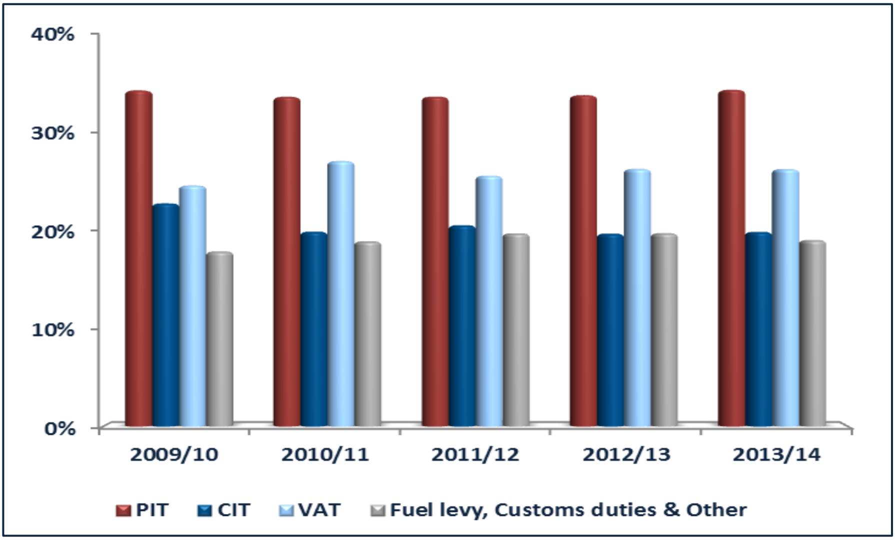
CHAPTER 1: REVENUE COLLECTIONS

This chapter provides a summary of aggregate revenue collection trends for the period 2009/10 to 2013/14.

In the 2013/14 fiscal year:

- Tax revenue collected amounted to R900.0 billion and grew by R86.2 billion (10.6%) compared with the previous year;
- This growth was supported by solid performance in Customs duties (13.3%), PIT (12.4%) and CIT (11.4%);
- The tax-to-GDP ratio increased from 25.4% in 2012/13 to 26.1% in 2013/14. This is above the long-term average but well below the peak of more than 27% fuelled by the commodity boom as well as reforms in the financial sector achieved before the global crisis;
- The cost of revenue collections remained relatively constant but dipped below the international benchmark of 1%. It decreased from 1.07% in 2012/13 to 0.97% in 2013/14;
- As a result of SARS' requirement that employers register all employees as taxpayers, regardless of their tax liability, the individual tax register continued to grow strongly. The number of individuals registered for income tax at 31 March 2014 had increased by 1.4 million (8.8%) from 15.4 million in the previous year to 16.8 million; and
- There were nearly 2.7 million registered companies (of which about 800 000 are likely to submit income tax returns) at 31 March 2014 and nearly 700 000 registered VAT vendors.

Relative composition of main sources of tax revenue, 2009/10 – 2013/14



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

Illustration of budget revenue and consolidated revenue

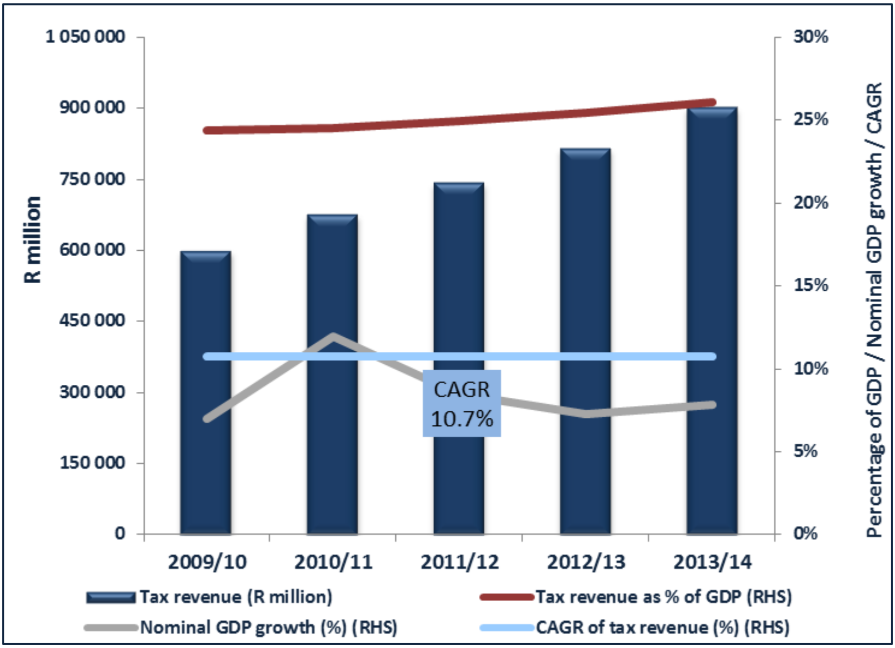
REVENUE	**COLLECTED BY SARS**
Tax revenue	All tax revenue
+ Non-tax revenue	- MPRR - Mining leases and ownership
- SACU payments	
= Budget revenue	
+ Other revenue *(provinces, social security, selected public entities)*	Revenue collected on behalf of: - Unemployment Insurance Fund (UIF) - Road Accident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

Tax revenue, budget revenue and consolidated revenue, 2009/10 – 2013/14

R million	Tax revenue	Non-tax revenue	Total tax and non-tax revenue	Less: SACU payments	Budget revenue	Other	Consoli-dated revenue
2009/10	598 705	15 323	**614 028**	-27 915	**586 113**	84 790	**670 903**
2010/11	674 183	16 474	**690 657**	-17 906	**669 738**	90 122	**759 859**
2011/12	742 650	24 403	**767 053**	-21 760	**740 083**	96 971	**837 054**
2012/13	813 826	28 087	**841 913**	-42 151	**799 762**	109 514	**909 276**
2013/14	900 015	29 776	**929 791**	-43 374	**886 416**	125 817	**1 012 233**

The South African tax-to-GDP ratio increased from 24.4% in 2009/10 to 26.1% in 2013/14. This increase was driven by increased contributions from PIT and VAT. CIT recovered more slowly as a result of assessed losses incurred by companies during the financial crisis.

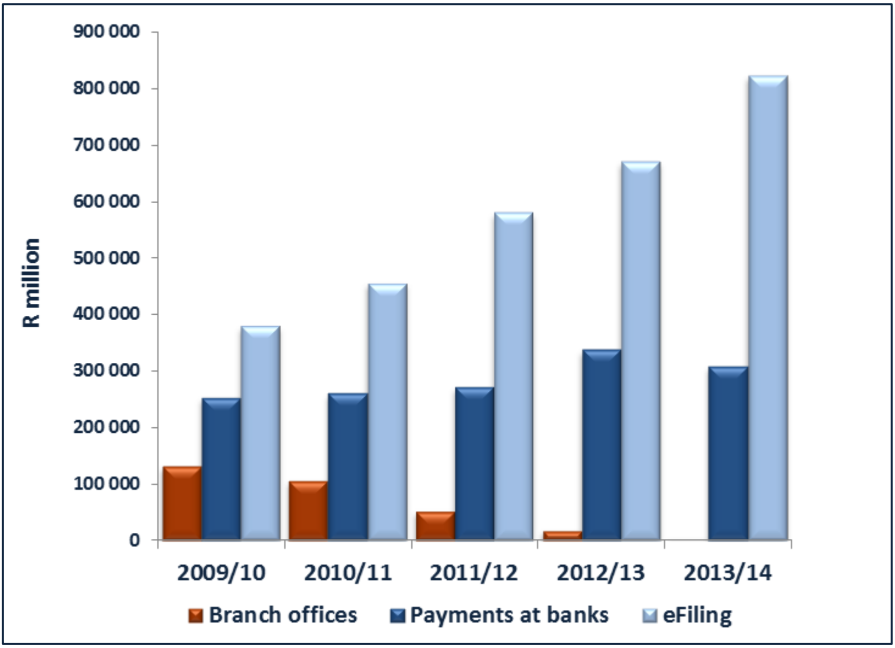
Tax revenue collections, GDP and CAGR, 2009/10 – 2013/14



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

- *eFiling*. This requires a taxpayer to register as an eFiling client in order to make electronic payments using this channel; and
- *Payments at banks*. Taxpayers can make either an internet banking transfer or an over-the-counter deposit using this channel.

Composition of main channels of payment (value), 2009/10 – 2013/14



For the 2013 tax year:

79.8% Assessed

Registered individual taxpayers = 15.4 million
Assessed taxpayers = 5.2 million

Aggregated taxable income of assessed individual taxpayers **R1.2 trillion**

Tax liability of assessed individual taxpayers **R226.3 billion**

40.4% Registered in Gauteng

51.8% PAYE payments received from the financial intermediation, insurance, real estate and business services sector

27.2% 35 - 44 age group

6.7% 348 826 Declared business income

Of those assessed

67.5% Received refunds

19.5% Owed SARS some tax

13.0% Had a zero assessment

Largest allowance

Travel allowance R26.3bn (28.7% of total allowances assessed)

Medical deductions

Medical deductions allowed declined from R63.9bn in 2012 to R15.2bn in 2013 due to the introduction of a medical tax credit system.

Largest fringe benefit

R41.1 billion

Medical aid paid on behalf of employees (75.3% of total fringe benefits assessed)

Largest deduction

Contributions to pension and retirement annuity funds of R46.4bn (48.8% of total deductions granted)

57.0% Males assessed

43.0% Females assessed

10 year tables

3 542 006 Taxpayers assessed for the 2004 tax year

5 174 572 Assessed for the 2013 tax year

1 684 488 Taxpayers under 65 assessed for all tax years 2004 - 2013

Municipalities

Assessed tax statistics available for 234 municipalities

12.5% Growth in individual taxpayer register

34.5% PIT largest source of revenue (for 2013/14)

CHAPTER 2: PERSONAL INCOME TAX

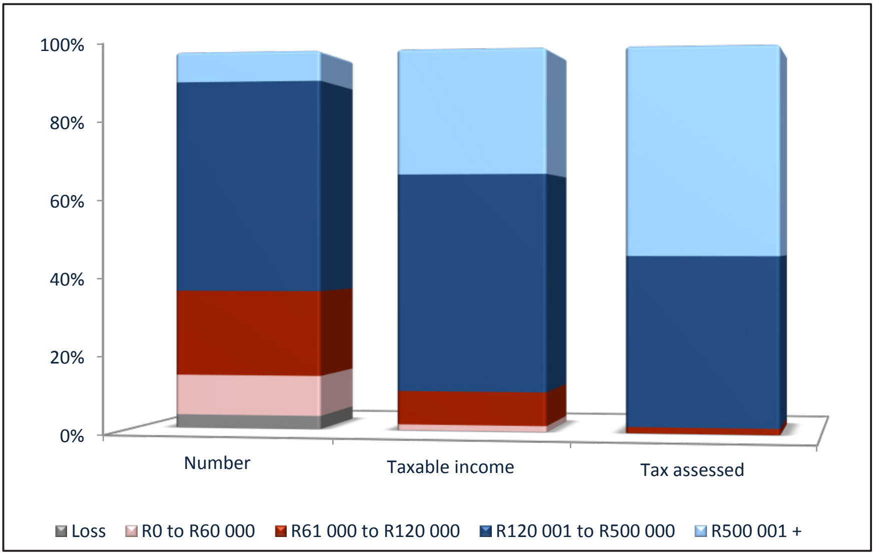
This chapter gives an overview of Personal Income Tax (PIT) revenues of registered individual taxpayers. It also provides information on assessed individual taxpayers, taxable income and tax assessed by taxable income group, income group, sector, province, age, gender and source of income, as well as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

For the 2013 tax year the Budget, presented in February 2012, included:

- An increase in the threshold for the top PIT bracket to R617 000;
- Increases in the primary, secondary and tertiary rebates to R11 440, R6 390 and R2 130 respectively which increased the tax thresholds for taxpayers below age 65 to R63 556; 65-74 years to R99 056 and 75 years and older to R110 889.
- For the 2013 tax year SARS received more than 17 million employee tax certificates (IRP5's) which could be linked to slightly more than 13 million individuals. Employees' tax was deducted from 6.6 million of these individuals.

Taxable income for taxpayers younger than 65 over a 10 year period shows that the taxable income of taxpayers assessed for all 10 years increased by an average of 13.0% per annum.

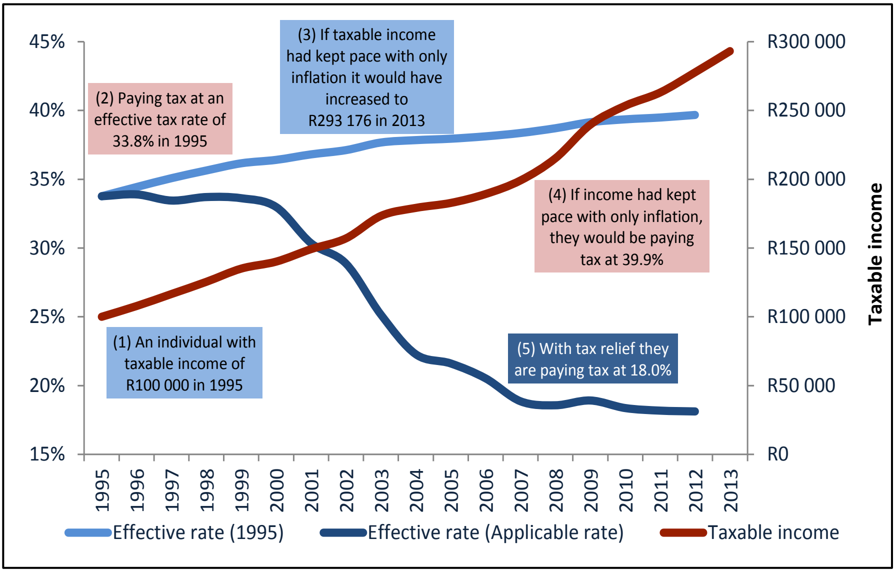
Distribution of assessed individual taxpayers in taxable income group, 2013



The tax burden aggregated across all taxpayers, as indicated by the tax assessed as a percentage of taxable income, was stable during the period under review at around 20%. This indicates the effectiveness of using tax relief to combat fiscal drag. The extent of this tax relief, including "fiscal drag relief"[1], is well illustrated in the following example.

[1] Fiscal drag relief is the relief granted to taxpayers to neutralise the impact of inflation on effective tax rates.

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 (rather than taxable income groups). The largest portion of the R95.1 billion allowed as deductions in 2013 was granted to taxpayers in the R120 000 to R500 000 income bracket. About 7.2% of their income was granted as a deduction.

Assessed taxpayers by income group, deductions granted & taxable income, 2013

Tax year	2013			
Income group	**Number of taxpayers**	**Income before deductions (R million)**	**Deductions allowed (R million)**	**Taxable income (R million)**
<= 0	163 602	-17 834	665	-18 499
1 – 60 000	498 324	16 383	1 190	15 193
60 001 – 120 000	1 079 713	98 764	5 619	93 145
120 001 – 500 000	2 934 069	711 269	51 172	660 097
500 000 +	498 864	468 039	36 422	431 617
Total	**5 174 572**	**1 276 621**	**95 067**	**1 181 554**
Income group	**Average income per assessed taxpayer (Rand)**	**Average deduction allowed (Rand)**	**Average taxable income per assessed taxpayer (Rand)**	**Percentage of income granted as a deduction**
<= 0	-109 010	4 064	-113 074	3.7%
1 – 60 000	32 877	2 388	30 488	7.3%
60 001 – 120 000	91 473	5 204	86 268	5.7%
120 001 – 500 000	242 417	17 441	224 977	7.2%
500 000 +	938 209	73 009	865 200	7.8%
Total	**246 710**	**18 372**	**228 338**	**7.4%**

There are many taxpayers currently submitting returns who are below the compulsory submission threshold. These taxpayers are therefore not liable to submit a return but they may still elect to submit a return, possibly to recover allowed deductions. The number of returns expected to be submitted is therefore a more prudent gauge of the proportion of returns that are likely to be received by SARS.

Expected submission counts for each tax year now include all taxpayers who have been assessed for a tax year as well as taxpayers with an "active" status who were assessed in any of the two previous years but who do not have an assessment for the tax year in question.

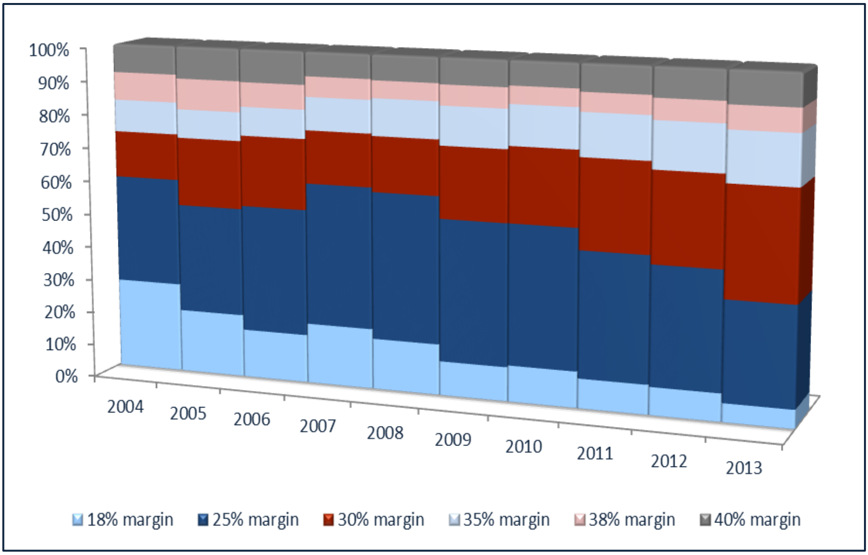
Number of individual taxpayers, 2010 – 2013

Date	Registered	Percentage growth in register	Tax year	Expected to submit returns	Assessed	Percentage assessed
31-Mar-10	5 920 612	6.9%	2010	5 530 894	5 235 835	94.7%
31-Mar-11	10 346 175	74.7%	2011	5 951 520	5 498 929	92.4%
31-Mar-12	13 703 717	32.5%	2012	6 257 075	5 567 292	89.0%
31-Mar-13	15 418 920	12.5%	2013	6 483 837	5 174 572	79.8%

To track the fluctuations in taxable income of taxpayers over a 10 year tax period, all taxpayers who were younger than 65 during the 2013 year of assessment and who were assessed every year since 2004, were isolated and their taxable income and assessed tax analysed.

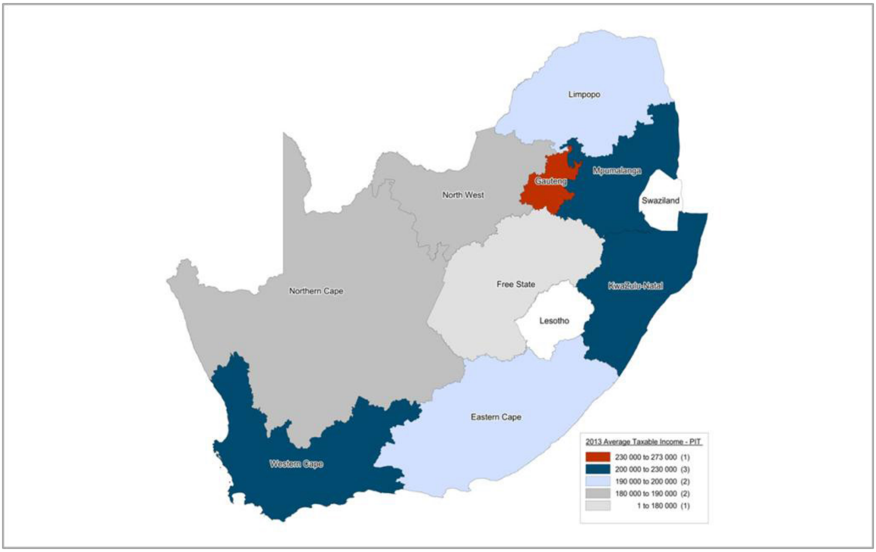
The graph below shows how taxpayers moved across the tax brackets due to increases in taxable income.

Proportion of the 1.7 million 10 year taxpayers by marginal tax rates, 2004 - 2013



The distribution of taxpayers, taxable income and tax assessed by province and municipality, is determined using the residential address declared by taxpayers on their returns. The analysis of the assessments by municipality shows that most assessed taxpayers are based in Gauteng and they also have the highest average taxable income (R272 188) while the Free State indicates the lowest average taxable income (R178 251).

Assessed individual taxpayers by province, 2013



For the 2012 tax year:

19.8% 2012/13

CIT
third largest contributor to tax revenue

19.9% 2013/14

TOTAL CIT PROVISIONAL TAX COLLECTED

- **42.2%** 1st Provisional period
- **54.6%** 2nd Provisional period
- **3.2%** 3rd Provisional period

NEARLY 2.2 MILLION COMPANIES ON REGISTER

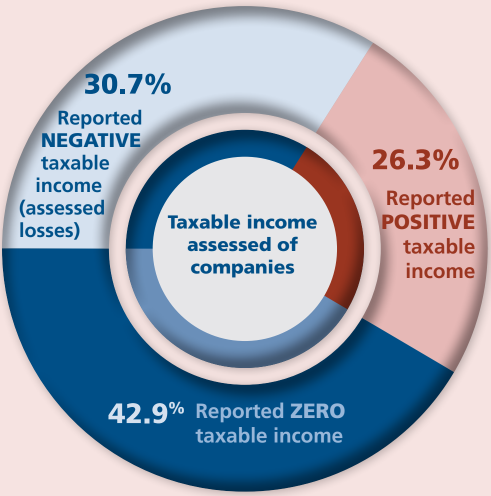
625 808 Were assessed (majority of remainder inactive or dormant)

112 170 Assessed as Small Business Corporations (using graduated tax rates as opposed to a fixed rate)

Contributions by financial year end

December	33.2%
June	24.6%
February	19.2%

TAXABLE INCOME REPORTED FOR ASSESSED COMPANIES



SECTOR CONTRIBUTIONS OF COMPANIES WITH ASSESSED LOSSES

- **24.7%** Financing, insurance, real estate & business services sector
- **10.7%** Construction sector
- **7.6%** Retail trade sector

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).

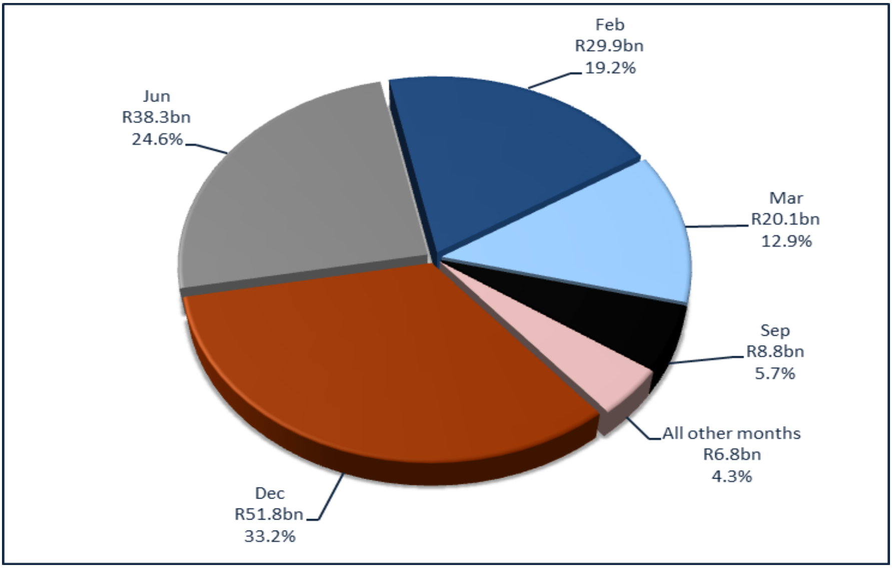
An analysis of CIT returns assessed for the 2012 tax year shows:

- CIT was the third largest contributor to tax revenue in 2012/13. It contributed 19.8% of total tax revenue compared to a peak of 26.7% in 2008/09, achieved before the global financial crises;
- About a third of the 625 808 companies assessed had positive taxable income; a further third had taxable income equal to zero and the remaining third reported an assessed loss;
- The concentrated nature of the South African economy is evident as 299 large companies with taxable income of more than R200 million were liable for 58.1% of the tax assessed (0.2% of companies with positive taxable income);
- The *Financial intermediation, insurance, real-estate & business services* sector comprised 219 081 (35.0%) of the assessed companies and was responsible for 37.3% of tax assessed on these companies; and
- Of the 625 808 companies assessed, 112 170 were assessed as Small Business Corporations (SBCs) and paid tax at the applicable graduated income tax rate instead of a fixed rate.

Provisional tax payments by provisional period, 2010 – 2013

Period R million Tax year	1st Provisional period	2nd Provisional period	3rd Provisional period	Total
2010	50 009	72 162	8 294	**130 464**
2011	57 804	84 229	6 401	**148 434**
2012	65 709	85 079	4 951	**155 739**
2013	72 039	94 856	5 789	**172 685**
Percentage of total				
2010	38.3%	55.3%	6.4%	**100.0%**
2011	38.9%	56.7%	4.3%	**100.0%**
2012	42.2%	54.6%	3.2%	**100.0%**
2013	41.7%	54.9%	3.4%	**100.0%**

Provisional tax payments by company financial year end, 2012



Provisional tax collections for previous tax years have been 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 raised and this enables more reliable extrapolations. The tax assessed as a percentage of the provisional tax payments received for the relevant tax year is therefore a fairly reliable gauge for determining the completeness of the issued assessments.

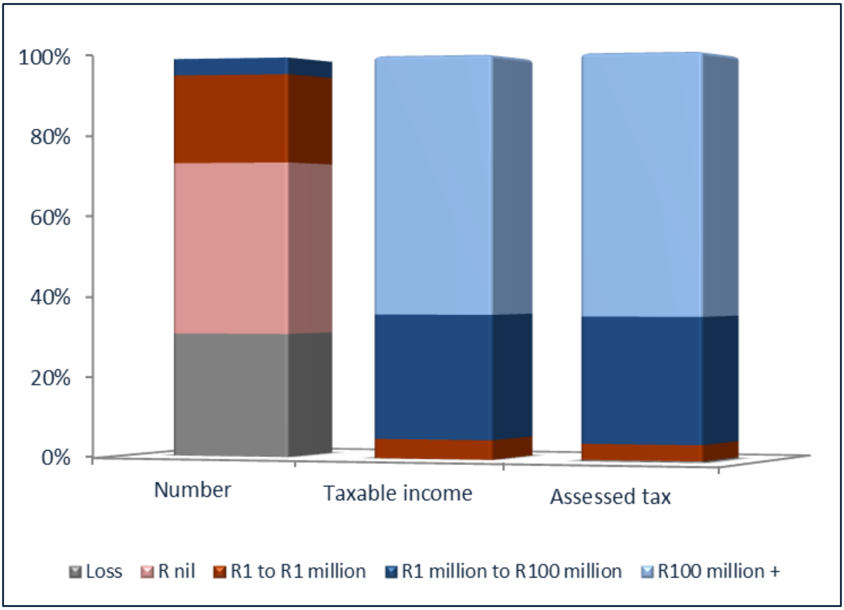
Provisional tax payments and tax assessed by tax year, 2010 – 2013

R million Tax year	Provisional tax payments	Tax assessed	Tax assessed as % of provisional tax payments
2010	130 464	129 474	99.2%
2011	148 434	147 502	99.4%
2012	155 739	149 376	95.9%
2013	172 685	92 185	53.4%

The definition of “expected cases per tax year” has been amended to accommodate this change. Expected cases per tax year are now defined as all companies that have been assessed for a tax year, plus companies with an “active” status that were assessed in either of the two years prior to the relevant tax year, but do not have an assessment for the year in question.

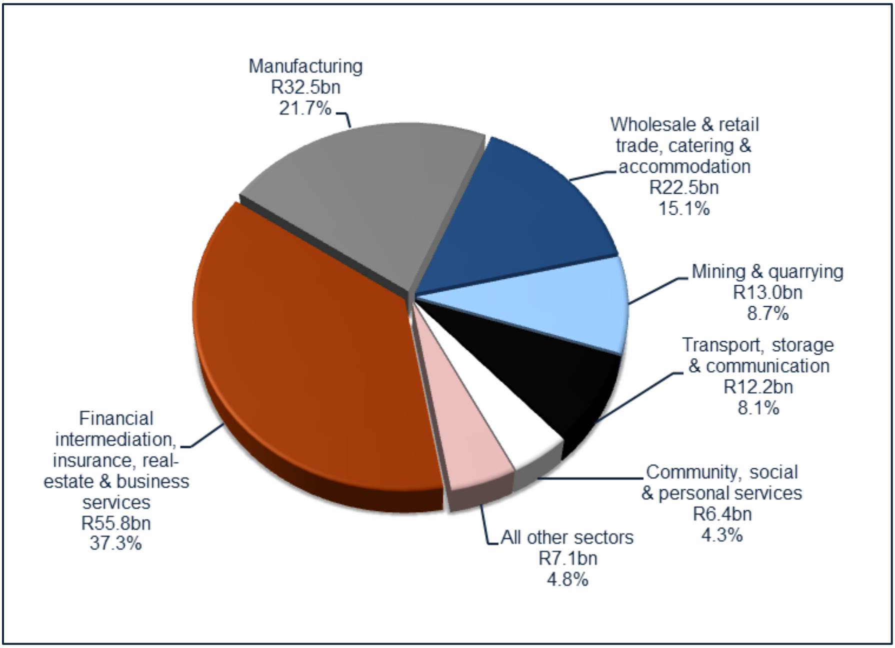
The figure below provides the distribution of the number of companies assessed, their taxable income and the tax assessed for the 2012 tax year.

Assessed companies, taxable income and tax assessed, 2012



The *Financial intermediation, insurance, real-estate & business services* sector is the largest sector with 35.0% of the total number of companies assessed in 2012. This sector accounts for 37.3% of the tax assessed in 2012.

Companies' tax assessed by economic activity, 2012



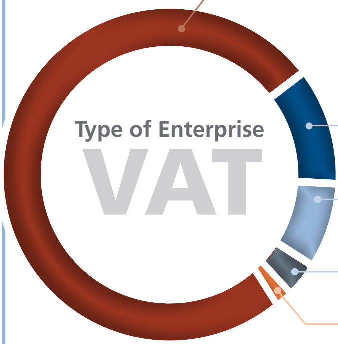
Companies can elect to be taxed as SBCs if they meet specific criteria. These include amongst others, an annual turnover of not more than R20 million. Prior to the 2013 tax year this threshold was R14 million; limited shareholding; and the taxpayer must elect to be taxed as a SBC on an annual basis.

SBCs benefit from graduated income tax rates instead of the fixed headline tax rate of 28%. SBCs can also immediately write-off all plant or machinery used in a process of manufacture and are eligible for an accelerated write-off of depreciable assets (50%:30%:20%).

For the 2013/14 fiscal year:

662 194 Registered VAT vendors

420 785 (63.5%) were active



- 71.1% Companies and close corporations
- 18.5% Individuals
- 6.9% Estates and trusts
- 2.3% Partnerships
- 1.2% Other

85.8%

Vendors making payments and receiving refunds in the bi-monthly category

41.4%

VAT vendors with a turnover of R1 million or less

10.5%

Vendors making payments and receiving refunds in the monthly category

Account for **77.1%** of VAT payments

Account for **89.3%** of VAT refunds

Ratio of payments and refunds

R3.29 Output tax declared	R2.35 Input tax claimed
R2.29 Input tax claimed	R1.35 Output tax declared
R1 Domestic VAT collected	R1 VAT refunded

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.

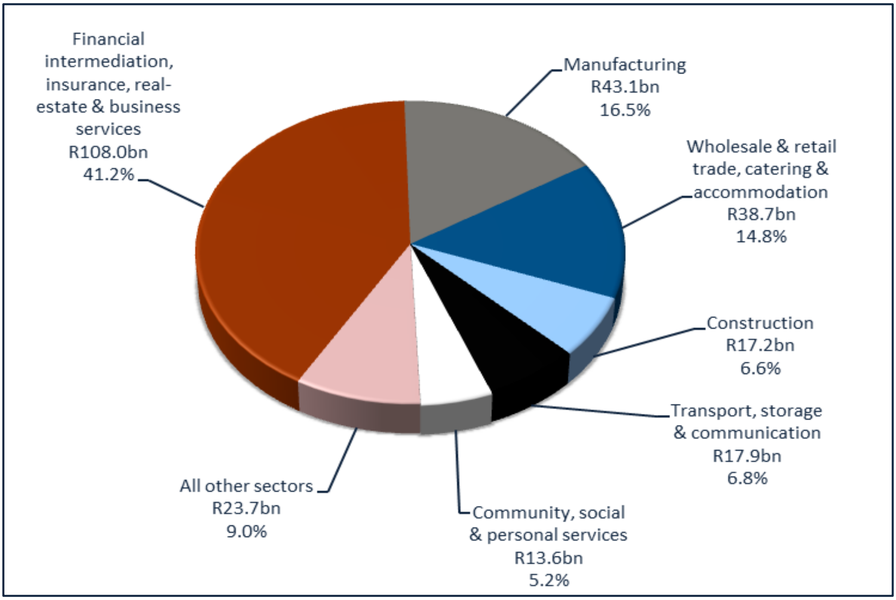
In the 2013/14 fiscal year:

- Net VAT collections grew by 10.5% compared to the previous year. Aggregate growth in net VAT revenue was driven by an 8.7% increase in Domestic VAT payments and a growth of 17.6% in Import VAT payments (Chapter 5), which was moderated by a 13.0% increase in VAT refunds;
- Growth in Domestic VAT payments remains constrained by high consumer debt, modest job creation, low consumer confidence and little real growth in disposable income. This resulted in moderate real consumption spending. The sectors that contributed most to domestic VAT growth were *Financial intermediation, insurance, real-estate & business services; Mining and quarrying; Construction;* as well as *Wholesale & retail trade, catering & accommodation;*
- Growth in VAT refunds came mostly from the *Manufacturing; Wholesale & retail trade, catering & accommodation; Financial intermediation, insurance, real-estate & business services;* as well as *Electricity, gas and water sectors*; and
- There were 662 194 registered VAT vendors, of which 420 785 (63.5%) were active. A vendor is regarded as active if a payment was received or a refund made to the vendor during the fiscal year.

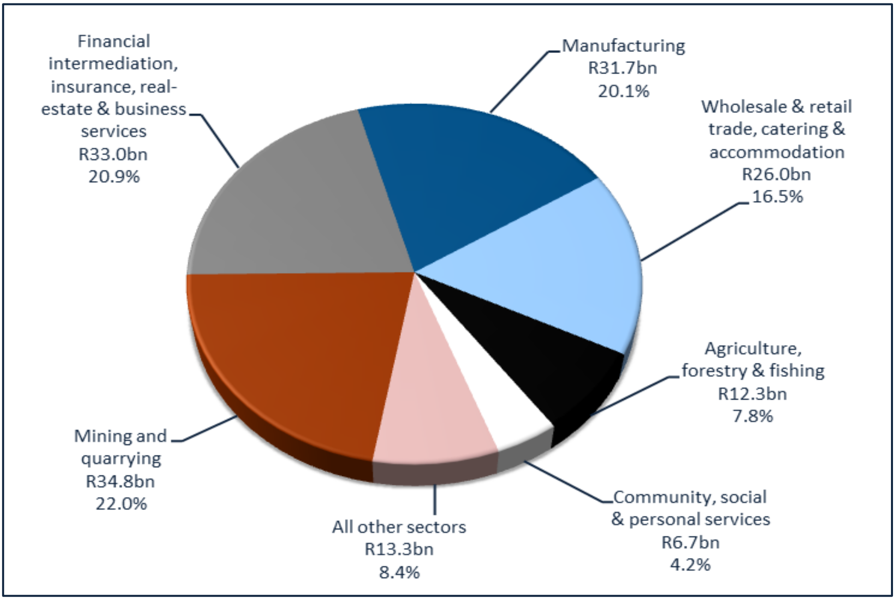
Number of registered VAT vendors

Fiscal year	Registered	Active vendors	Percentage of registered
2010/11	664 267	466 088	70.2%
2011/12	652 349	439 374	67.4%
2012/13	650 540	426 091	65.5%
2013/14	662 194	420 785	63.5%

VAT payments by economic activity, 2013/14



VAT refunds by economic activity, 2013/14

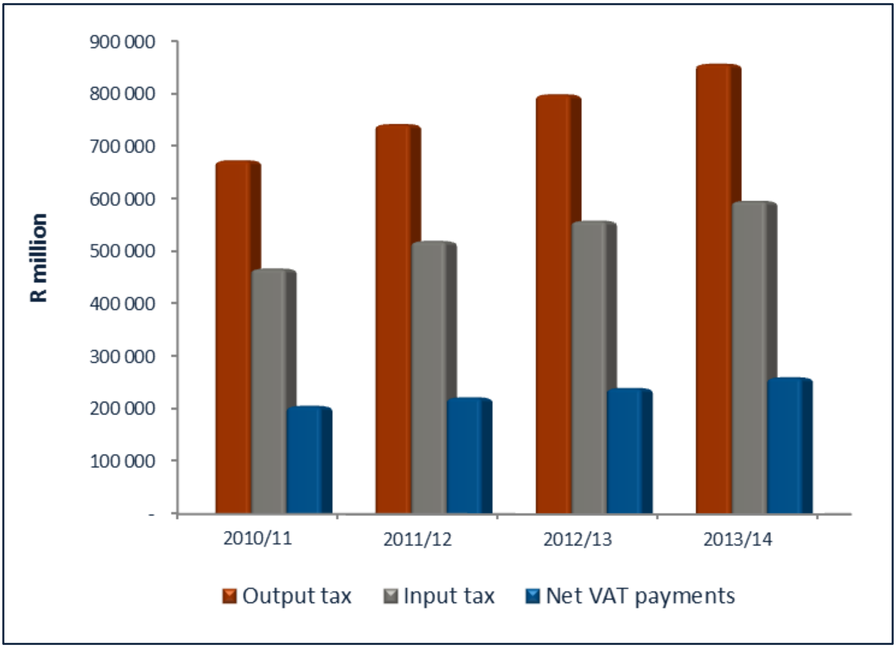


During 2012/13 and 2013/14 the supply of standard-rated goods and services contributed 96.0% of the total output tax, while 76.8% of input tax was claimed for the purchase of other goods and services.

Output tax by class of supply, 2011/12 - 2013/14

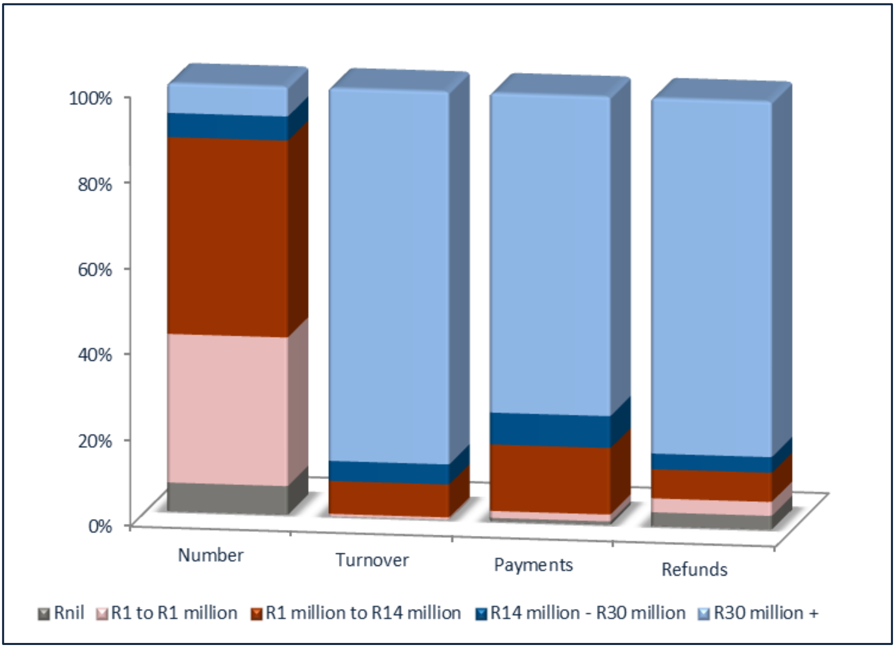
R million Fiscal year	Standard rate (excl. capital goods and services and accommodation)	Standard rate (only capital goods and/or services)	Supply of accommodation	Adjustments	Total output tax
2011/12	880 213	27 758	1 825	8 642	**918 437**
2012/13	944 070	29 692	2 003	7 530	**983 295**
2013/14	1 030 915	31 993	2 217	8 503	**1 073 628**
Percentage of total					
2011/12	95.8%	3.0%	0.2%	0.9%	**100.0%**
2012/13	96.0%	3.0%	0.2%	0.8%	**100.0%**
2013/14	96.0%	3.0%	0.2%	0.8%	**100.0%**

Composition of Domestic VAT payments (output/input), 2010/11 – 2013/14



In 2013/14, 41.4% of VAT vendors had a turnover of R1 million or less. These vendors, however, accounted for only 2.4% of Domestic VAT payments and 6.5% of VAT refunds. In contrast, 2.4% of VAT vendors that had an annual turnover greater than R100 million accounted for 62.0% of Domestic VAT payments and 75.7% of VAT refunds.

Distribution of VAT vendors by turnover group, 2013/14



Vendors per annualised turnover (payments and refunds), 2010/11 – 2013/14

R million	2010/11	2011/12	2012/13	2013/14
Number of vendors	466 088	439 374	426 091	420 785
Turnover (R million)	7 567 219	8 642 040	9 418 254	10 314 074
Payments (R million)	205 512	220 588	242 087	262 135
Refunds (R million)	-103 147	-129 892	-137 998	-157 983
Nett VAT	**102 365**	**90 697**	**104 089**	**104 152**
Nett as % of turnover	1.4%	1.0%	1.1%	1.0%

For the 2013/14 fiscal year:

Number of registered importers **272 544**

17.6%

Growth of Import VAT y/y mainly due to:

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

30.2%

Biggest contributor to Import VAT

Machinery, mechanical appliances and electrical equipment

Main contributor to Customs duties and *Ad Valorem* import duties:
Vehicles, aircraft, vessels & associated transport equipment

27.2%

Customs duties

68.8%

***Ad valorem* import duties**

Of the total Import VAT, Customs duties and *Ad valorem* import duties **the main contributors by world zone are:**

Americas
11.6%
Industrial machinery
Vehicles
Cellphones

Europe
34.4%
Vehicle & parts
Steam turbines
Whiskey

Asia
48.3%
Vehicles
Cellphones
Industrial machinery & mechanical appliances

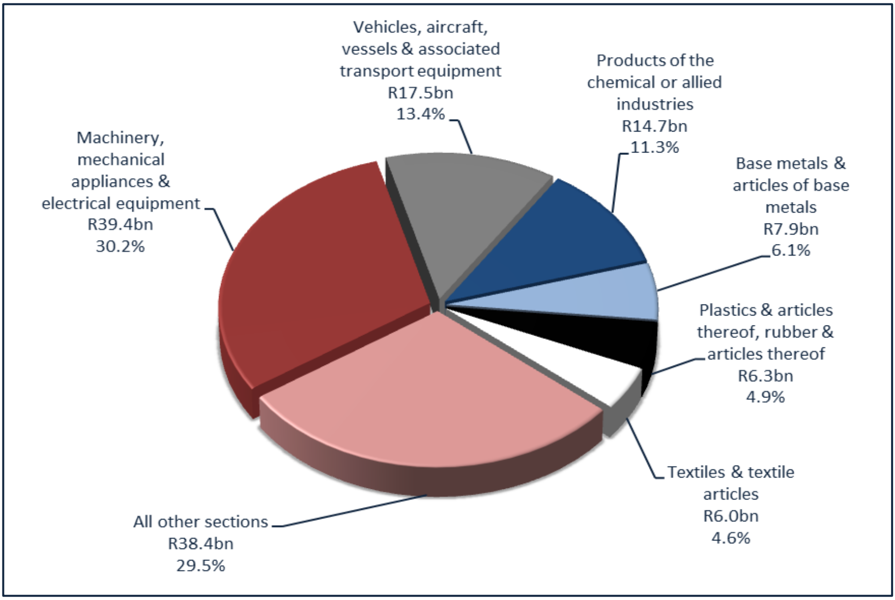
CHAPTER 5: IMPORT VAT AND CUSTOMS DUTIES

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.

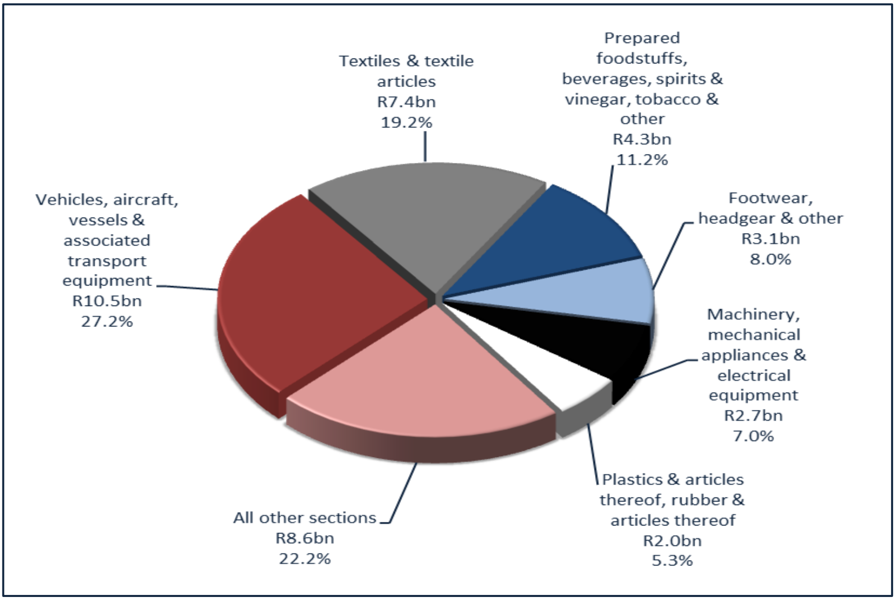
For the 2013/14 fiscal year:

- Import VAT grew by 17.6% compared with the previous year. This was mainly the result of strong imports of capital equipment and vehicles as well as gains from a deteriorating domestic currency;
- Customs duties (including Specific excise duties on imports and *Ad valorem* import duties) grew by 13.3% compared with the previous year. This was also a result of gains from a deteriorating domestic currency as well as strong growth in the imports of some key dutiable commodities;
- *Machinery, mechanical appliances & electrical equipment* contributed the most to Import VAT at 30.2%;
- *Vehicles, aircraft, vessels & associated transport equipment* accounted for 27.2% of Customs duties and was the main contributor to *Ad valorem* import duties (Duty 1-2B) at 68.8%;
- Imports from the world zones of Asia and Europe accounted for 82.7% of the combined total Import VAT, Customs duties and *Ad valorem* import duties (Duty 1-2B); and
- On a country basis, China and Germany were the major sources of imports. China accounted for 23.4% of the combined total Import VAT, Customs duties and *Ad valorem* import duties (Duty 1-2B) and Germany 12.1%.

Import VAT by HS section, 2013/14

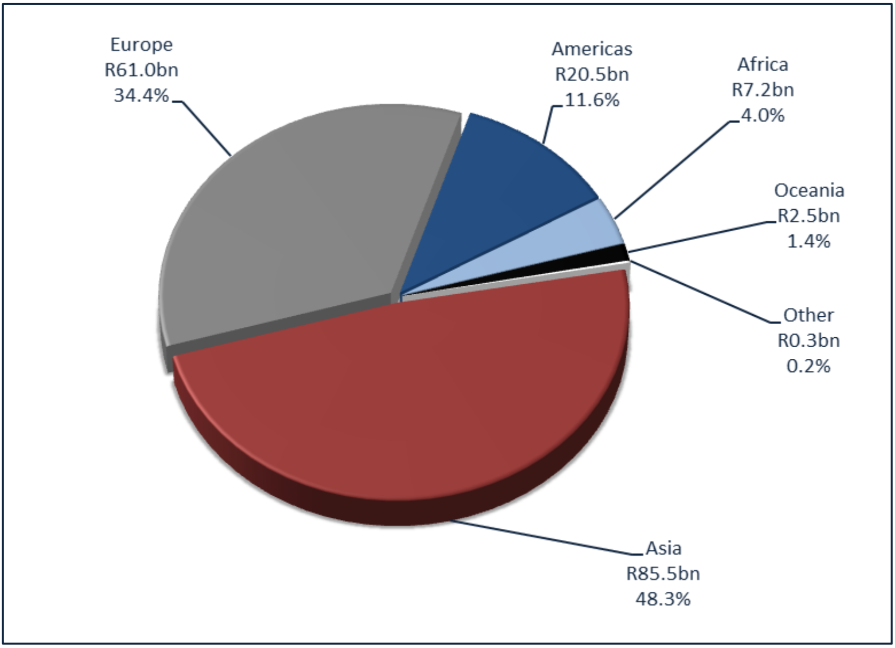


Customs duties by HS section, 2013/14



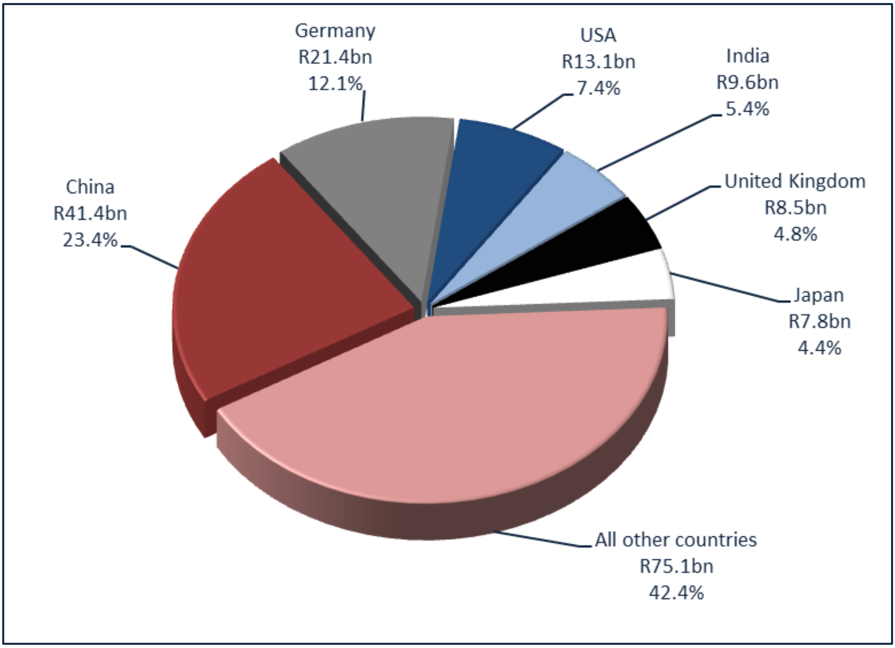
Imports from Asia accounted for 48.3% of the combined total Import VAT, Customs duties and *Ad valorem* import duties (Duty 1-2B), followed by Europe at 34.4% and the Americas at 11.6%.

Import VAT, Customs duties and A*d valorem* import duties by world zone, 2013/14



The top five countries of origin − China, Germany, the United States of America (USA), India and the United Kingdom (UK) - account for more than half of the combined total Import VAT, Customs duties and *Ad valorem* import duties (Duty 1-2B) for 2013/14.

Import VAT, Customs duties and A*d valorem* import duties by country of origin, 2013/14



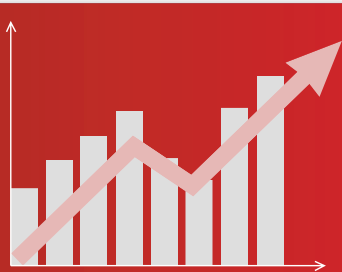
The Motor Industry Development Programme (MIDP) was introduced in 1995 to modernise South Africa's motor industry and create a platform to enable it to become a reliable producer and supplier to the global market. Incentives developed under that programme were significant. However, the MIDP ended in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

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

For the 2013/14 fiscal year:

Capital Gains Tax of R11.6 billion raised

Increased from R7.2bn raised in 2012/13



Transfer duties of R5.5 billion collected

Property transfers that were subject to transfer duty

110 056

Average transfer duty paid

R49 870

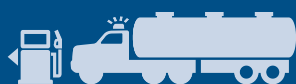
Mineral and Petroleum Resources Royalty amounted to
R6.4 billion

Increase from previous year

Contributions to SACU pool during 2013/14
R75.6 billion

Diesel claims granted during 2013/14
R6.2 billion

Increased from R3.3bn granted in 2012/13



CHAPTER 6: OTHER TAXES AND COLLECTIONS

This chapter provides information on CGT, Transfer duty, MPRR, SACU and Diesel Refunds.

For the 2013/14 fiscal year:

- CGT of R11.6 billion was raised of which R7.0 billion was attributable to individuals and R4.6 billion to companies. This is an increase from the R7.2 billion raised in 2012/13. A total of R61.7 billion has been raised since the introduction of CGT in October 2001;
- Transfer duties of R5.5 billion were collected on 110 056 property transfers;
- MPRR payments amounted to R6.4 billion and a year-on-year increase from the previous year of R1.4 billion (28%). A total of R20.6 billion has been collected since introduction in 2010;
- Total contributions to the SACU pool amounted to R75.6 billion. This is 8.6% more than the R69.6 billion contributed in the previous year. The increase was driven by a large increase in imports into the SACU region; and
- Diesel refunds increased to R6.2 billion from R3.3 billion in 2012/13. This increase was fuelled by large claims from the energy sector that used diesel generators to buffer electricity production. Included in the Diesel refunds are diesel set offs of R1.2 billion.