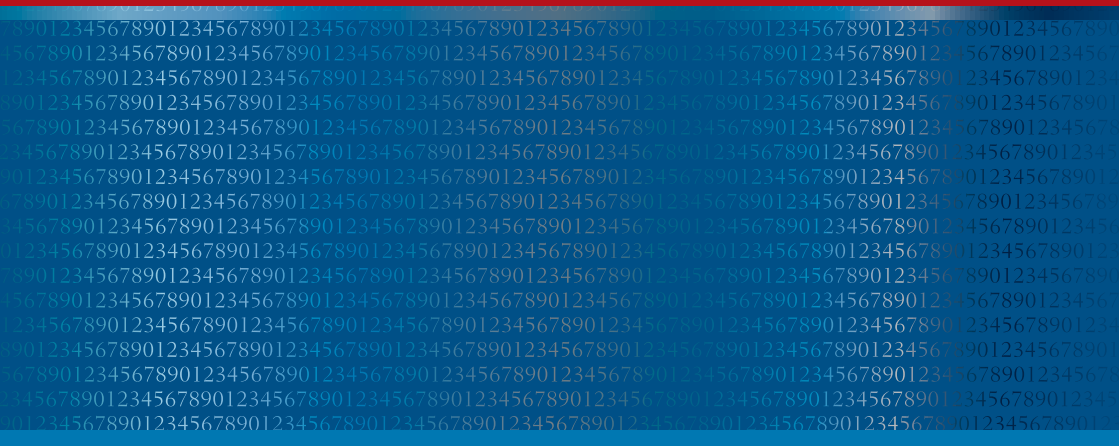


2015 Tax Statistics – Highlights

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

The 2015 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.

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HIGHLIGHTS

ABOUT THIS PUBLICATION

The *2015 Tax Statistics* is the eighth edition of this publication and provides an overview of tax revenue collections and tax return information for the 2011 to 2014 tax years as well as the 2010/11 to 2014/15 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 the *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 the *Tax Statistics*:

- A column of Employment Tax Incentive (ETI) data has been added to Table A1.4.2 on Taxes on persons and individual in Chapter 1;
- The 10 year comparison has been expanded to include analysis of taxpayers who are 65 years of age and older, in Chapter 2;
- An analysis of companies who had been assessed for all the tax years from 2004 to 2013 has been included to illustrate the shift in their taxable income and tax liability, in Chapter 3;

HIGHLIGHTS

- Tables and graphs detailing the contribution of Import VAT and Customs Duties by customs port of entry have been included in Chapter 5; and
- A graphical representation of the distribution of Transfer Duty collected by property value; and a table detailing the breakdown by the nature of the property have been included in Chapter 6.

HIGHLIGHTS

2015 TAX STATISTICS AT A GLANCE

DATA	TAX REGISTER AS AT MARCH 2015	EXPECTED TO SUBMIT & ACTIVE	ASSESSMENTS, PAYMENTS, REFUNDS, BILLS OF ENTRY	COLLECTIONS FOR 2014/15		
PIT	18.2mil individuals (429 691 employers)	6.6mil expected to submit ¹	4.9mil assessed ¹ R1.2tr taxable income ¹ R245.9bn tax assessed ¹	PIT R353.9bn (includes PAYE)		
CIT	2.9mil companies	835 306 expected to submit ²	652 847 assessed ² R162.9bn tax assessed ²	CIT R186.6bn		
VAT	679 274 VAT vendors	420 940 active vendors ³	R286.9bn payments ³ R162.1bn refunds ³	Net VAT R261.3bn (includes payments, refunds & Import VAT)		
Import VAT & Customs Duties	280 953 importers		R1.5tr Customs value ³ , R136.8bn Import VAT ³ , R42.5bn Customs Duties ³	Customs Duties R40.7bn		
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 2014 tax year
2. For the 2013 tax year
3. For the 2014/15 fiscal year

HIGHLIGHTS

For the 2014/15 fiscal year:

Revenue collected during 2014/15 fiscal year

R986.3 BILLION



9.6%

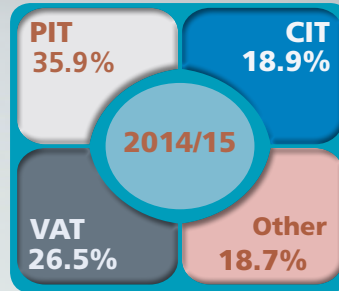
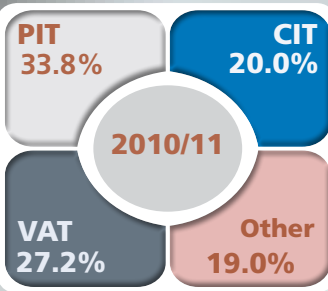
Higher by R86.3bn against 2013/14



10.0%

Compound annual growth rate (CAGR) achieved for 2010/11 to 2014/15

Composition of main sources of tax revenue



Payment Channels

The value of payments at branch offices reduced from 12.8% in 2010/11 to only 0.2% in 2014/15



73.2%
eFiling



26.6%
Banks



0.2%
Branch offices

R40.7 BILLION



Tax relief provided to individuals during the period 2010/11 to 2014/15

COST OF REVENUE COLLECTIONS

Declined

1.10%
2010/11

0.97%
2014/15

HIGHLIGHTS

CHAPTER 1: REVENUE COLLECTIONS

This chapter provides summary of aggregate revenue collections trends for the period 2010/11 to 2014/15.

For the 2014/15 fiscal year:

- Tax revenue collected amounted to R986.3 billion and grew by R86.3 billion (9.6%);
- Revenue growth was supported by PIT and VAT which grew by 13.9% and 9.9% respectively;
- The tax-to-GDP ratio increased from 24.9% in 2013/14 to 25.7% in 2014/15 exceeding the long-term average of 24%. This however remains below the peak of 26.4% achieved in 2007/08;
- The cost of revenue collections ratio decreased in 2013/14 to 0.97% where it remained in 2014/15 below the international benchmark of 1%;
- The number of individuals registered for income tax at 31 March 2015 continued to increase from 16.8 million in the previous year to 18.2 million as a result of SARS' requirement that employers register their employees as taxpayers, regardless of their tax liability; and

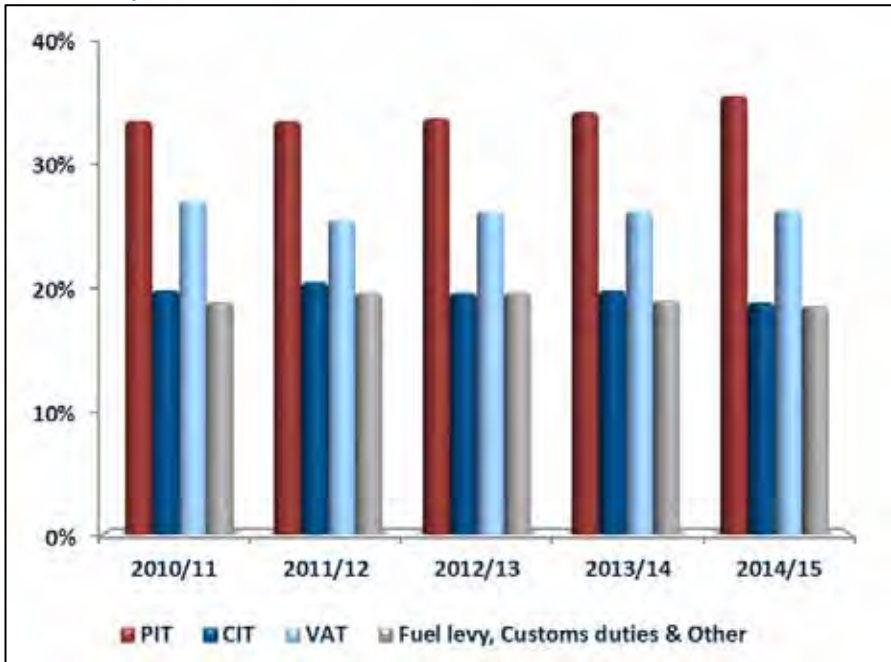
There were 2.9 million registered companies (of which about 800 000 submit income tax returns) at 31 March 2015 and 679 274 registered VAT vendors of which 420 940 (62.0%) were active.

HIGHLIGHTS

Tax register, 31 March 2011 - 31 March 2015

Number as at	Individuals ^{1,2}	Companies (CIT) ^{1,3}	Trusts ¹	Employers ¹ (PAYE)	VAT Vendors ¹	Importers	Exporters
31 Mar 2011	10 346 175	2 078 182	326 649	386 428	664 267	238 779	217 359
31 Mar 2012	13 703 717	2 034 719	301 365	384 883	652 349	247 595	224 216
31 Mar 2013	15 418 920	2 195 883	312 066	391 254	650 540	265 497	240 709
31 Mar 2014	16 779 711	2 685 405	322 188	407 066	662 194	272 544	246 500
31 Mar 2015	18 185 538	2 935 385	331 584	429 691	679 274	280 953	254 108
Percentage year-on-year growth							
31 Mar 2012	32.5%	-2.1%	-7.7%	-0.4%	-1.8%	3.7%	3.2%
31 Mar 2013	12.5%	7.9%	3.6%	1.7%	-0.3%	7.2%	7.4%
31 Mar 2014	8.8%	22.3%	3.2%	4.0%	1.8%	2.7%	2.4%
31 Mar 2015	8.4%	9.3%	2.9%	5.6%	2.6%	3.1%	3.1%

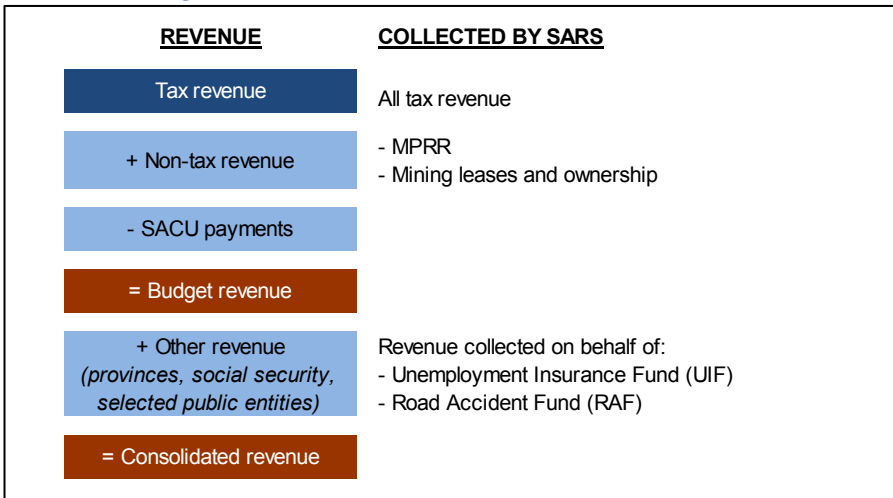
Relative composition of main sources of tax revenue, 2010/11 - 2014/15



In addition to tax revenue, SARS collects Mineral and Petroleum Resources Royalties (MPRR) as well as Mining Leases and Ownership which are included in non-tax revenue. SARS also collects revenue on behalf of the Road Accident Fund (RAF) and the Unemployment Insurance Fund (UIF).

HIGHLIGHTS

Illustration of budget revenue and consolidated revenue



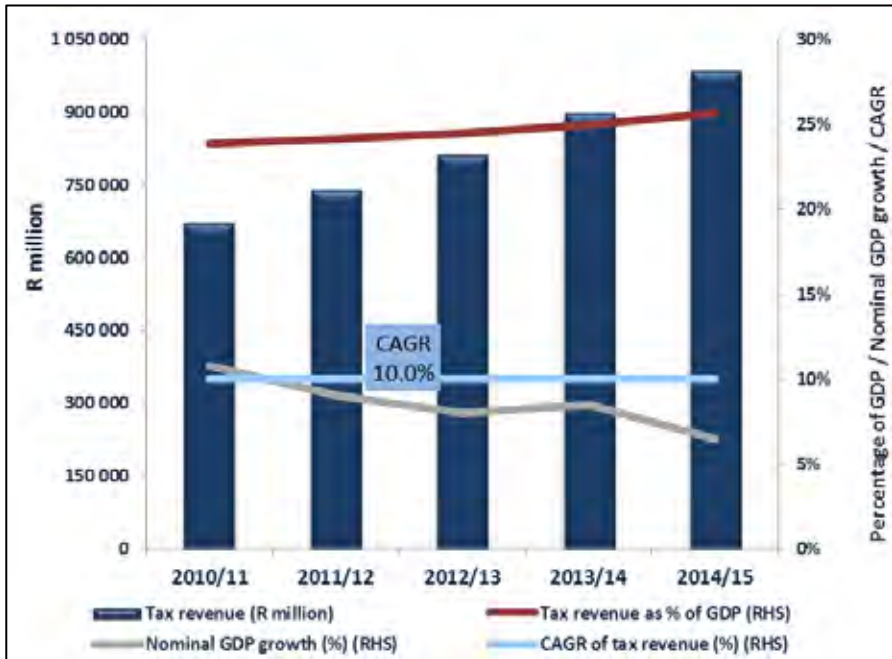
Total budget revenue and consolidated revenue, 2010/11 - 2014/15

R million	Tax revenue	% of budget revenue	% of consolidated revenue	Non-tax revenue ¹	Total tax and non-tax revenue	Less: SACU payments	Budget revenue	Other ²	Consolidated revenue ³
2010/11	674 183	100.7%	89.0%	16 474	690 657	-17 906	672 751	90 122	762 873
2011/12	742 650	100.3%	88.7%	24 403	767 053	-21 760	745 293	96 971	842 264
2012/13	813 826	103.4%	92.9%	28 087	841 913	-42 151	799 762	109 514	909 276
2013/14	900 015	101.4%	89.0%	30 626	930 641	-43 374	887 266	124 322	1 011 589
2014/15	986 295	102.3%	89.6%	29 225	1 015 520	-51 738	963 782	136 466	1 100 248

The South African tax-to-GDP ratio increased during the past 5 years from a low of 23.9% in 2010/11 to 25.7% in 2014/15. This increase was driven by increased contributions from PIT and VAT. Growth in CIT remained at around 5.0% as a result of assessed losses incurred by companies during the financial crisis.

HIGHLIGHTS

Tax revenue collections, GDP and CAGR, 2010/11 - 2014/15



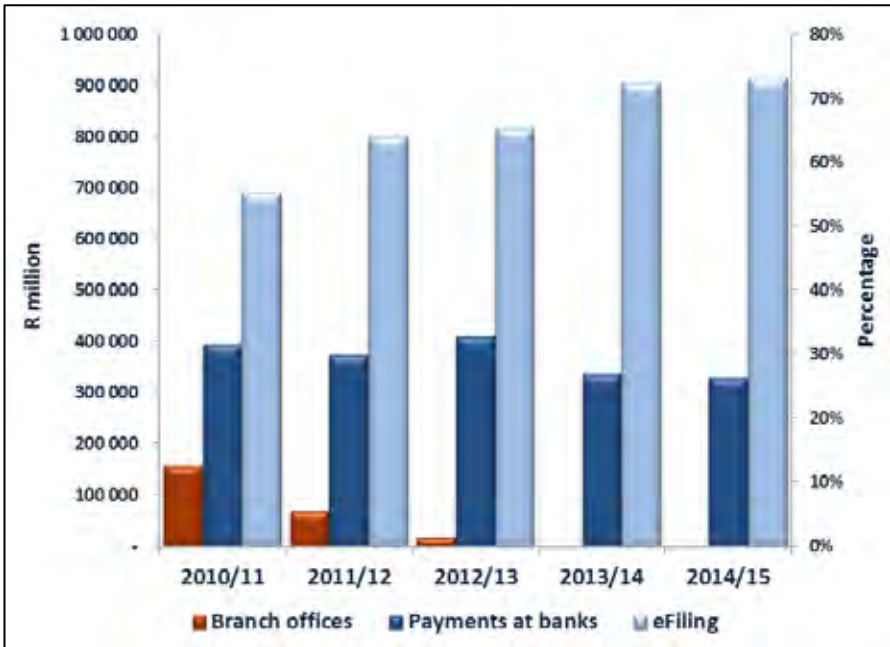
The SARS Modernisation Programme enabled the migration of the majority of taxpayers to electronic payment platforms significantly improving turnaround times. This has significantly reduced the risk associated with human intervention and reduced cash collections at branch offices. Payment methods other 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.

The eFiling channel accounted for 73.2% of the value of all taxpayer payments in 2014/15. This is significantly higher than in 2010/11 when this channel accounted for 55.5% of the total value of payments processed.

HIGHLIGHTS

Composition of main channels of payment (value), 2010/11 - 2014/15



HIGHLIGHTS

For the 2014 tax year:



74.9%
Assessed

Registered individual taxpayers = 16.8 million
Assessed taxpayers = 4.9 million

Aggregated taxable
income of assessed
individual taxpayers

**R1.2
trillion**

Tax liability of assessed
individual taxpayers

**R251.9
billion**

40.3%

Registered in
Gauteng

52.7%

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

27.1%

35 - 44 age
group

7.7%

381 163 Declared
business income

Of those
assessed



67.4%

Received
refunds

19.9%

Owed SARS
some tax

12.7%

Had a zero assessment

**Largest
allowance**



Travel allowance
R26.7bn
(27.6% of total
allowances assessed)

**Medical
deductions**



Medical deductions allowed
declined from R64.8bn in
2012 to R15.8bn in 2013 and
R16.8bn in 2014 due to the
introduction of a medical
tax credit system.

Largest fringe benefit



R42.8 billion

Medical aid
paid on behalf
of employees
(74.7% of total
fringe benefits
assessed)

Largest deduction



Contributions to pension and
retirement annuity funds
of R49.2bn (49.4% of total
deductions granted)



56.2%
Males
assessed



43.8%
Females
assessed

10 year tables



3 542 006
Taxpayers assessed
for the 2004
tax year

5 556 804
Assessed for the
2013 tax year

2 194 549
Taxpayers assessed
for all tax years
2004 - 2013

Municipalities



Assessed
tax statistics
available
for 234
municipalities

8.8%

Growth in
individual
taxpayer register

35.9%

PIT largest
source of revenue
(for 2014/15)

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.

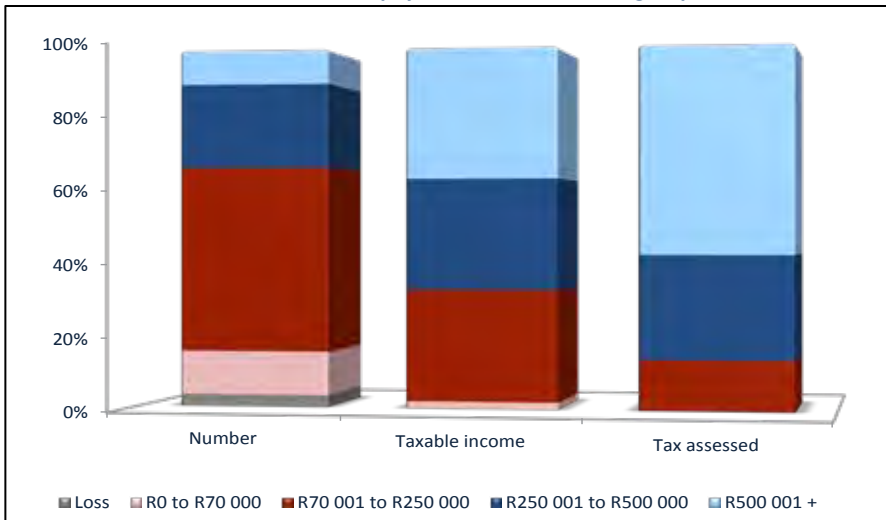
For the 2014 tax year the Budget, presented in February 2013, included:

- An increase in the threshold for the top PIT bracket to R638 600;
- Increases in the primary, secondary and tertiary rebates to R12 080, R6 750 and R2 250. This increased the tax thresholds for taxpayers below the age of 65 to R67 111; for those 65-74 years to R104 611 and 75 years and older to R117 111.
- SARS received more than 17 million employees' tax certificates (IRP5s) that could be linked to just over 13 million individuals.

The average taxable income of taxpayers who were younger than 65 in 2013, and were assessed for each of the previous 10 years, increased by a compound annual growth rate of 12.0%. It however only increased by 3.4% for taxpayers 65 and older.

HIGHLIGHTS

Distribution of assessed individual taxpayers in taxable income group, 2014

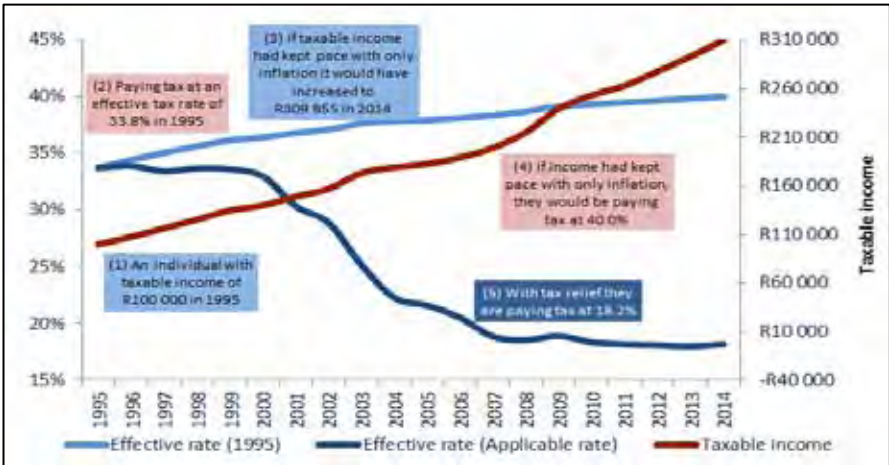


The tax burden aggregated across all taxpayers, as indicated by the tax assessed as a percentage of taxable income, was stable during the period under review at around 20%. This indicates the effectiveness of using tax relief to combat fiscal drag. The extent of this tax relief, including “fiscal drag 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.

HIGHLIGHTS

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 R99.5 billion allowed as deductions in 2014 was granted to taxpayers in the R200 001 to R350 000 income bracket. About 7.2% of their income was granted as a deduction.

Assessed taxpayers by income group, deductions granted & taxable income, 2014

Tax year	2014			
Income group	Number of taxpayers	Income before deductions (R million)	Deductions allowed (R million)	Taxable income (R million)
<= 0	146 197	-19 058	700	-19 758
1 – 70 000	434 142	13 999	1 154	12 845
70 001 – 200 000	864 513	79 440	4 662	74 778
200 001 – 500 000	2 930 464	730 203	52 461	677 742
500 000 +	566 074	537 393	40 527	496 846
Total	4 941 390	1 341 977	99 524	1 242 453
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	-130 359	4 790	-135 149	3.7%
1 – 70 000	32 246	2 659	29 587	8.2%
70 001 – 200 000	91 890	5 392	86 497	5.9%
200 001 – 500 000	249 176	17 902	231 275	7.2%
500 000 +	949 334	71 629	877 705	7.5%
Total	271 579	20 141	251 438	7.4%

HIGHLIGHTS

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, 2011 – 2014

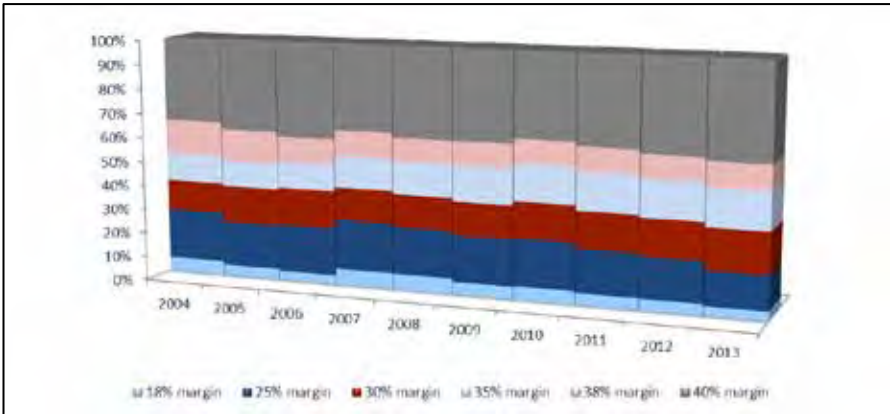
Date	Registered	Percentage growth in register	Tax year	Expected to submit returns ²	Assessed	Percentage assessed
31-Mar-11	10 346 175	74.7%	2011 ³	6 052 353	5 646 230	93.3%
31-Mar-12	13 703 717	32.5%	2012	6 359 833	5 777 872	90.8%
31-Mar-13	15 418 920	12.5%	2013	6 525 032	5 556 804	85.2%
31-Mar-14	16 779 711	8.8%	2014	6 597 244	4 941 390	74.9%

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

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

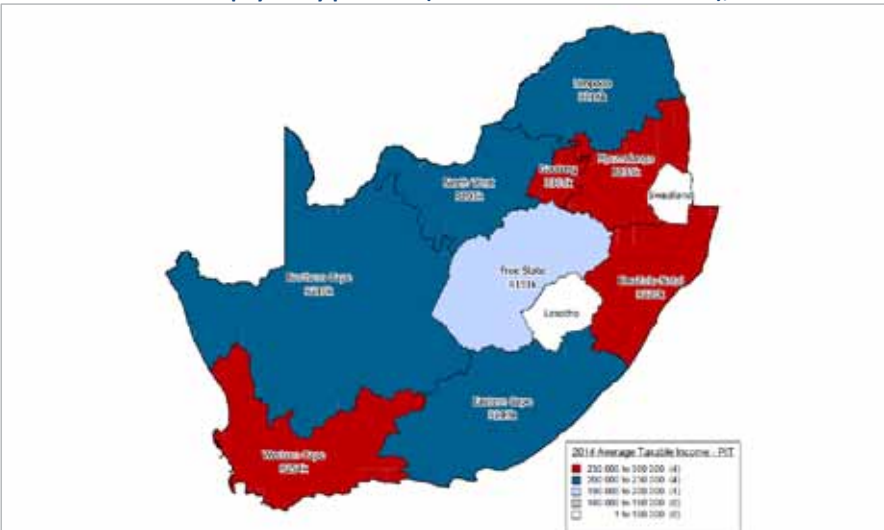
HIGHLIGHTS

Proportion of the 2.2 million 10 year taxpayers by marginal tax rates, 2004 - 2013



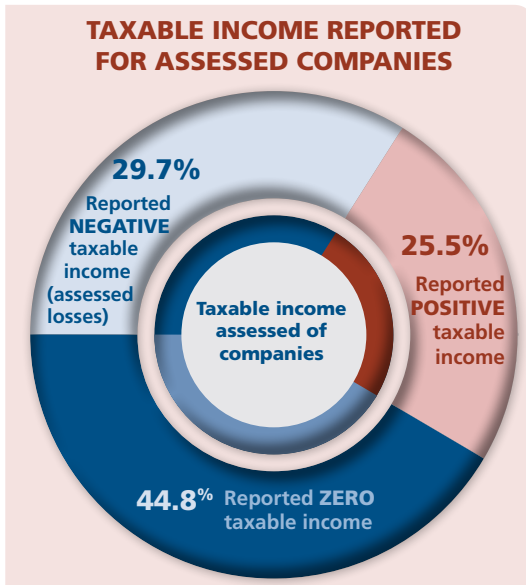
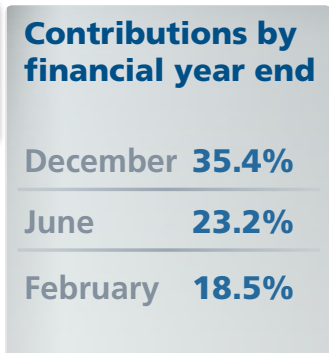
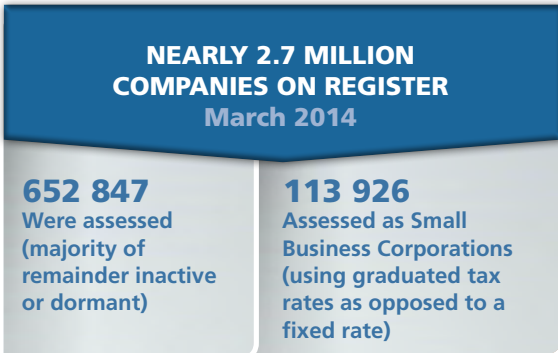
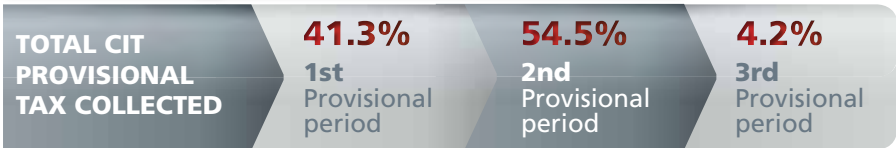
The distribution of taxpayers, taxable income and tax assessed by province and municipality, is determined using the residential address declared by taxpayers on their returns. The analysis of the assessments by municipality shows that most assessed taxpayers are based in Gauteng and they are the highest average taxable income at R301 203 while the Free State indicates the lowest average taxable income at R191 193.

Assessed individual taxpayers by province (based on residential address), 2014



HIGHLIGHTS

For the 2013 tax year:



HIGHLIGHTS

CHAPTER 3: COMPANY INCOME TAX

This chapter is an overview of Company Income Tax (CIT) revenues. It 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 2013 tax year shows:

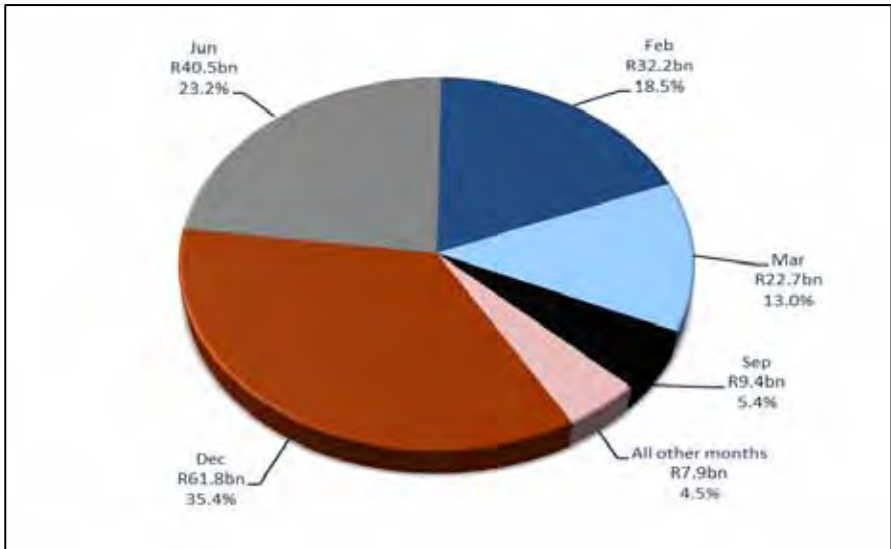
- CIT was the third largest contributor to tax revenue in 2013/14. However, CIT only contributed 19.9% of tax revenue in 2013/14 compared with a peak of 26.7% achieved prior to the global financial crisis in 2008/09;
- About 25% of the 652 847 companies assessed had positive taxable income. A further 45% had taxable income equal to zero and the remaining 30% reported an assessed loss;
- The concentrated nature of the South African economy is evident as 308 large companies that had taxable income of more than R200 million each were liable for 58.6% of the tax assessed (0.2% of companies with positive taxable income);
- The *Financial intermediation, insurance, real-estate & business services* sector consisted of 181 214 (27.8%) of the assessed companies and was responsible for 35.4% of the tax assessed on these companies;
- There were nearly 2.7 million companies, (of which 835 306 are expected to submit income tax returns) at 31 March 2014; and
- Of the 652 847 companies assessed, 113 926 were assessed as Small Business Corporations (SBCs) and paid tax at the applicable graduated income tax rate instead of the fixed company tax rate of 28%.

HIGHLIGHTS

Provisional tax payments by provisional period by tax year, 2011 – 2014

Period R million Tax year	1st Provisional period	Percentage change	2nd Provisional period	Percentage change	3rd Provisional period	Percentage change	Total
2011	57 806	15.3%	84 230	16.4%	6 406	-23.0%	148 442
2012	65 713	13.7%	85 099	1.0%	4 988	-22.1%	155 799
2013	72 077	9.7%	95 072	11.7%	7 333	47.0%	174 482
2014	77 029	6.9%	97 353	2.4%	4 663	-36.4%	179 045
Percentage of total							
2011	38.9%		56.7%		4.3%		100.0%
2012	42.2%		54.6%		3.2%		100.0%
2013	41.3%		54.5%		4.2%		100.0%
2014	43.0%		54.4%		2.6%		100.0%

Provisional tax payments by companies financial year end, 2013



Provisional tax collections for the previous tax years except for 2011 tax year 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 well 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

HIGHLIGHTS

year is, therefore, a good gauge of the completeness of the issued assessments.

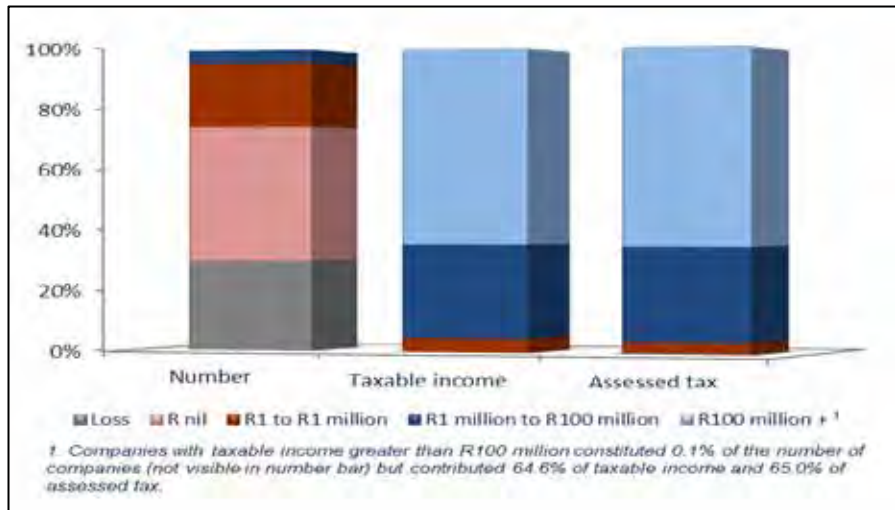
Provisional tax payments and tax assessed by tax year, 2011 – 2014

R million Tax year	Provisional tax payments	Tax assessed	Tax assessed as % of provisional tax payments
2011	148 442	149 192	100.5%
2012	155 799	155 009	99.5%
2013	174 482	162 868	93.3%
2014	179 045	79 605	44.5%

Expected cases per tax year are 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 shows the distribution of the number of companies assessed their taxable income and the tax assessed for the 2013 tax year.

Assessed companies, taxable income and tax assessed by taxable income group, 2013

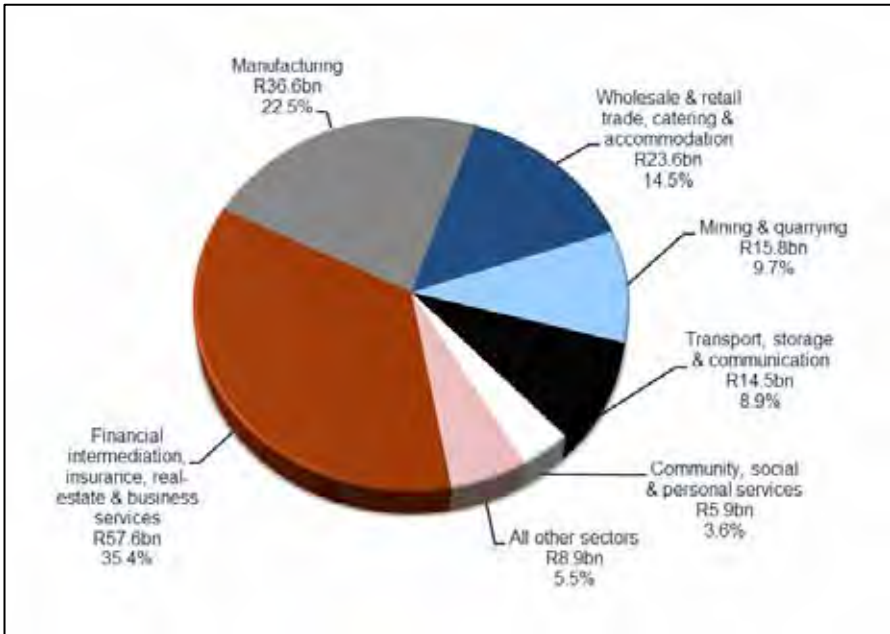


HIGHLIGHTS

Distribution by sector

The *Financial intermediation, insurance, real-estate & business services* was the largest sector, with 27.8% of the total number of companies assessed, in 2013. This sector accounted for 35.4% of the tax assessed in 2013.

Companies' tax assessed by economic activity, 2013



Small Business Corporations (SBCs)

Companies are taxed as SBCs if they meet specific criteria. This criteria includes 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 indicate in the annual tax return that it qualifies to be taxed as an SBC.

HIGHLIGHTS

SBCs benefit from graduated income tax rates, progressive taxation, rather than the fixed headline tax rate of 28%.

The table below shows the increase in the SBC taxable income brackets from the 2011 to the 2014 tax years. The threshold of the first SBC bracket increased by 18.3% from R59 750 in 2011 to R70 700 in 2014.

Small Business Corporations' tax rates, 2011 and 2014

Tax year Rand	2011	SBC rate for 2011	2014	SBC rate for 2014	Percentage increase in top bracket
0 – 59 750	0%	0 – 70 700	0%	18.3%	
59 751 – 300 000	10%	70 701 – 365 000	7%	21.7%	
300 001 and over	28%	365 001 – 550 000	21%	–	
		550 001 – and over	28%	–	

In any calendar year, SBCs can be taxed by applying one of two different tax year rates. They can be taxed, for example, on 2013 tax rates or 2014 tax rates. This would occur because:

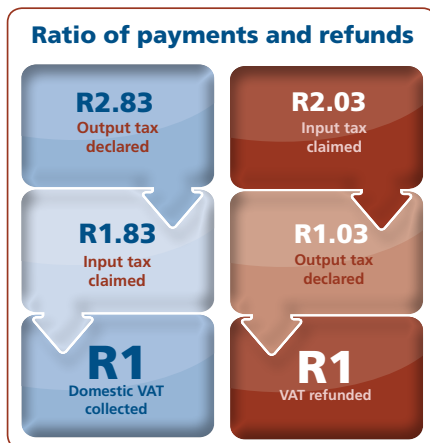
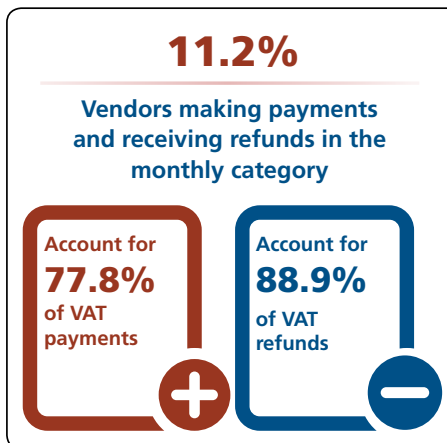
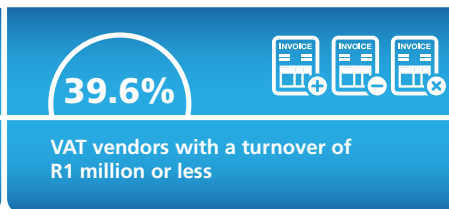
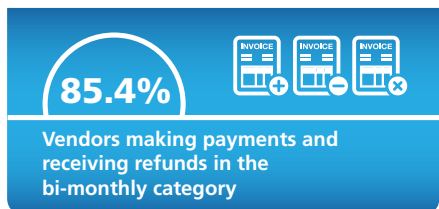
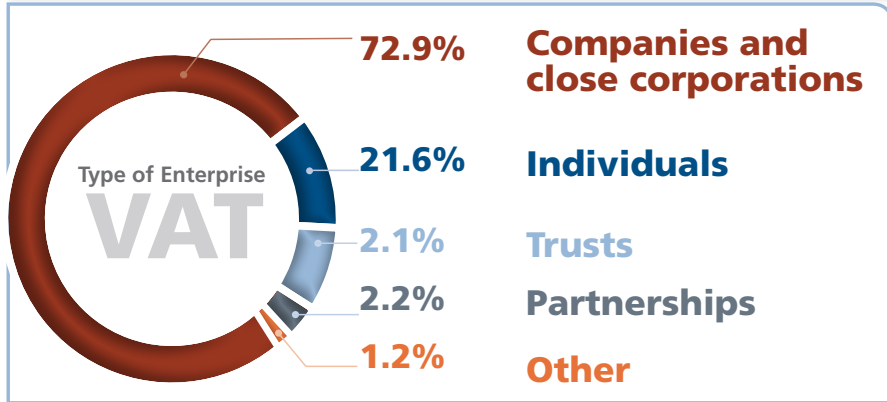
- 2013 tax rates (rates in effect from 1 April 2012 to 31 March 2013) are applicable to SBCs with years of assessment ending between 1 January 2013 and 31 March 2013; and
- 2014 tax rates (rates in effect from 1 April 2013 to 31 March 2014) are applicable to SBCs with years of assessment ending between 1 April 2013 and 31 December 2013.

HIGHLIGHTS

For the 2014/15 fiscal year:

679 274 Registered VAT vendors

420 940 (62.0%) were active



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.

In the 2014/15 fiscal year:

- Net VAT collections grew by 9.9% compared to the previous year. Aggregate growth in net VAT revenue was driven by an 8.9% increase in Domestic VAT payments and a growth of 4.2% in Import VAT payments (Chapter 5). It was further helped by a slight growth of only 3.4% in VAT refunds.
- Growth in Domestic VAT payments was 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; Wholesale & retail trade, catering & accommodation*; as well as *Agriculture, forestry & fishing*;
- Growth in VAT refunds was contained by savings of R1.3 billion (27.2%) in the *Electricity, gas & water*; as well as R2.0 billion (5.6%) in the *Mining & quarrying* sectors. These sectors were negatively affected by infrastructural constraints, labour tensions, lower commodity prices, rising operational costs and a fragile global recovery;
- VAT refunds increased in the *Financial intermediation, insurance, real-estate & business services; Community, social & personal services*; as well as *Transport, storage & communication* sectors; and
- There were 679 274 registered VAT vendors, of which 420 940 (62.0%) were active. A vendor is regarded as active if it made a VAT payment or received a VAT refund during the fiscal year.

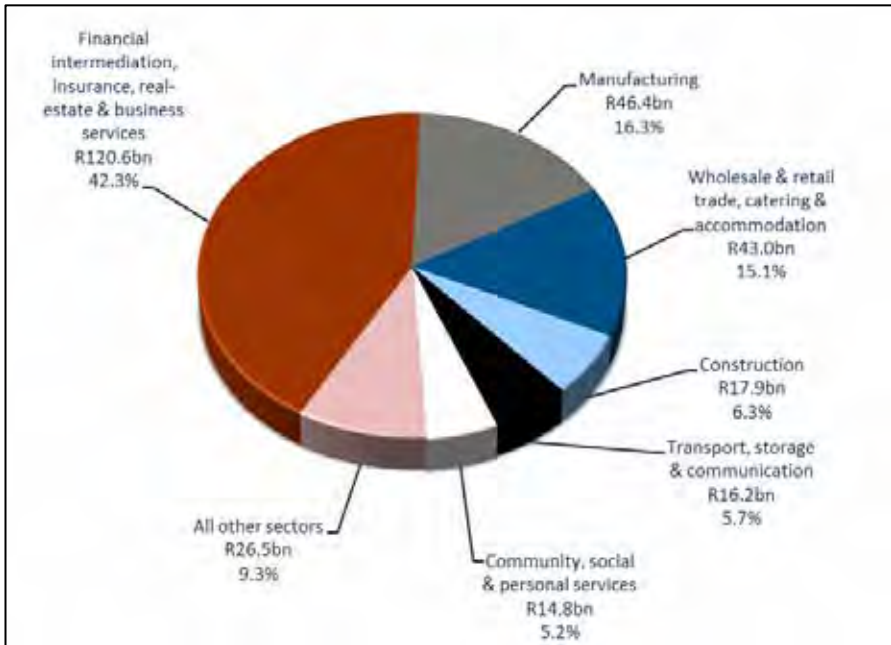
HIGHLIGHTS

Number of registered VAT vendors

Fiscal year	Registered ¹	Active vendors	Percentage of registered
2011/12	652 349	441 820	67.7%
2012/13	650 540	431 572	66.3%
2013/14	662 194	424 562	64.1%
2014/15	679 274	420 940	62.0%

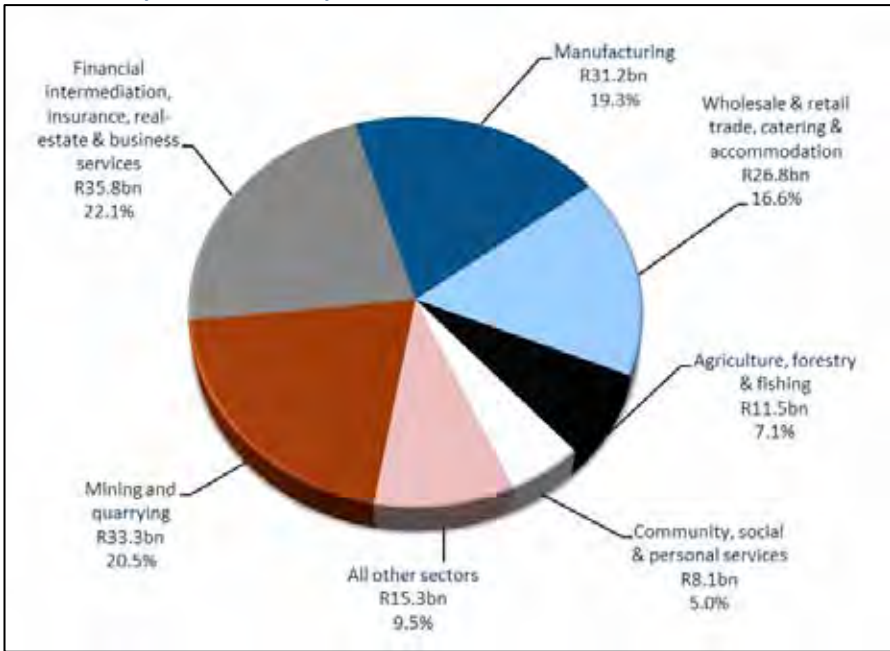
¹As per register at 31 March of each year. Excludes coded cases where status is in suspense or estate or address unknown.

VAT payments by economic activity, 2014/15



HIGHLIGHTS

VAT refunds by economic activity, 2014/15



Output tax by class of supply, 2011/12 - 2014/15

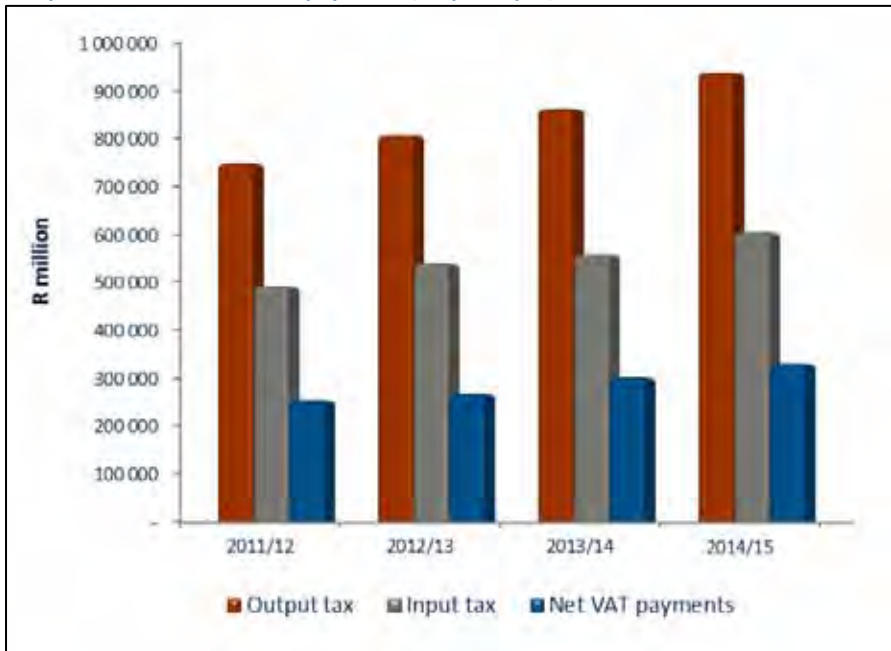
R million	Standard rate (excl. capital goods and services and accommodation)	Standard rate (only capital goods and/or services)	Supply of accommodation	Adjustments ¹	Total output tax
Fiscal year					
2011/12	872 170	27 879	1 818	10 214	912 081
2012/13	946 731	30 195	2 011	9 318	988 255
2013/14	1 035 445	32 082	2 219	10 145	1 079 891
2014/15	1 111 283	29 042	2 338	11 987	1 154 650
Percentage of total					
2011/12	95.6%	3.1%	0.2%	1.1%	100.0%
2012/13	95.8%	3.1%	0.2%	0.9%	100.0%
2013/14	95.9%	3.0%	0.2%	0.9%	100.0%
2014/15	96.2%	2.5%	0.2%	1.0%	100.0%

1. Includes Change in use and export of second-hand goods, as well as Other and imported services.

The supply of standard-rated goods and services contributed around 96.0% of the total output tax, while the supply of capital goods only contributed an average slightly less than 3.0%.

HIGHLIGHTS

Composition of Domestic VAT payments (output/input), 2011/12 – 2014/15

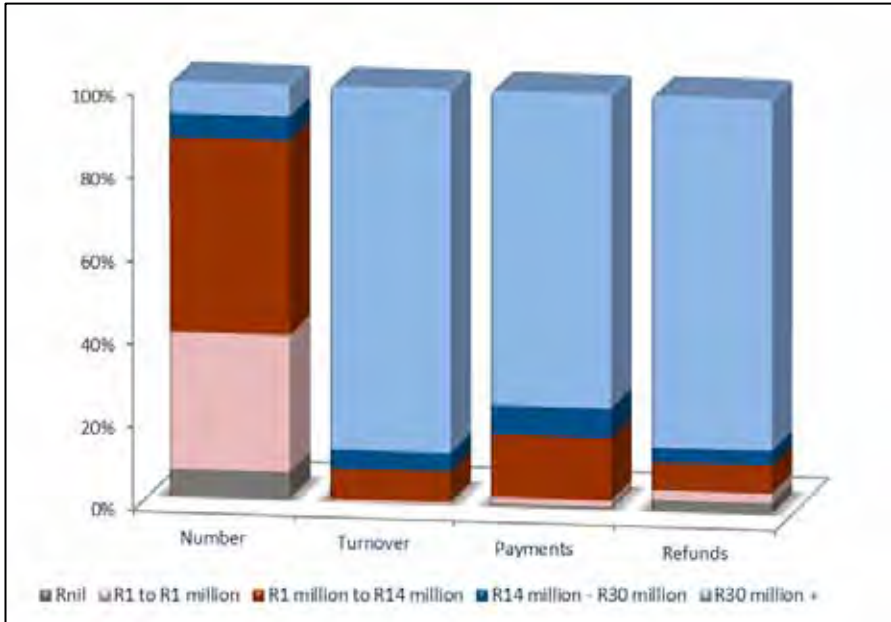


The relationship between output tax and input tax remained relatively stable over the years.

In 2014/15, 39.6% of VAT vendors had a turnover of R1 million or less. These vendors, however, accounted for only 2.1% of Domestic VAT payments and 4.9% of VAT refunds. In contrast, 2.6% of VAT vendors had an annual turnover greater than R100 million, they accounted for 63.0% of Domestic VAT payments and 76.0% of VAT refunds.

HIGHLIGHTS

Distribution of VAT vendors by turnover group, 2014/15



Vendors per annualised turnover (payments and refunds), 2011/12 – 2014/15

	2011/12	2012/13	2013/14	2014/15
Number of vendors	441 820	431 572	424 562	420 940
Turnover (R million)	8 642 769	9 423 538	10 318 338	11 192 846
Payments (R million)	219 838	242 356	262 575	285 485
Refunds (R million)	-129 892	-137 998	-157 983	-162 021
Nett VAT	89 947	104 357	104 592	123 463
Nett VAT as % turnover	1.0%	1.1%	1.0%	1.1%


HIGHLIGHTS

For the 2014/15 fiscal year:

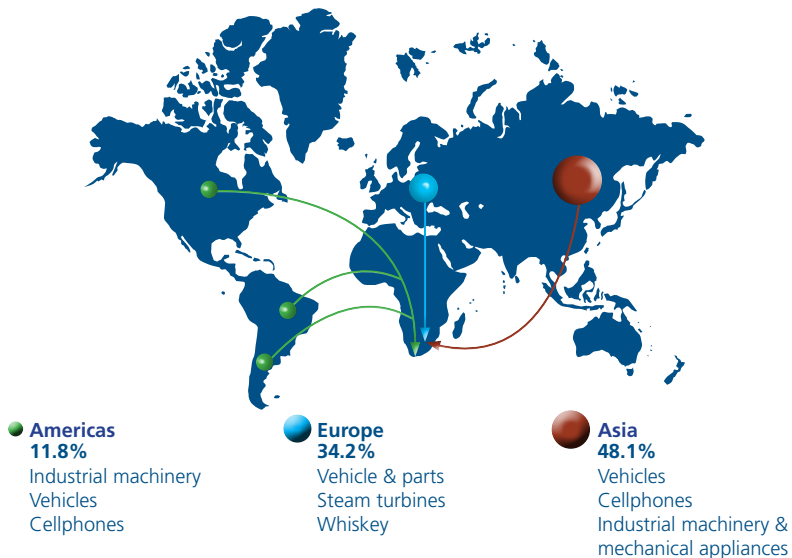
Number of registered importers **280 953**

<p>4.2%</p> <p>Growth of Import VAT y/y dropping from 17.6% mainly due to:</p> <ul style="list-style-type: none"> Deteriorating volumes of key VAT-able imports Partially offset by gains from a weak domestic currency 	<p>28.2%</p> <p>Biggest contributor to Import VAT</p> <p>Machinery and electronics</p>
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Main contributor to Customs Duties and second highest contributor to Import VAT: Vehicles & transport equipment

<p>31.9%</p> <p>Customs Duties</p> 	<p>13.0%</p> <p>Import VAT</p>
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The main contributors by World zone to Total Import Tax are:



HIGHLIGHTS

CHAPTER 5: IMPORT VAT AND CUSTOMS DUTIES

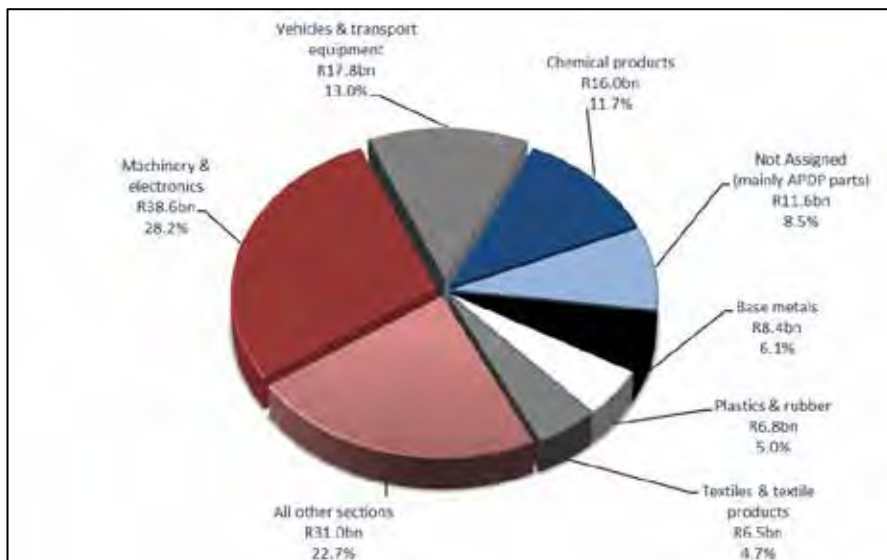
This chapter provides information on the Customs value, Import VAT, Customs duty and *Ad valorem* import duty (Duty 1-2B) and Total Import Tax revenues by HS section, world zone, customs ports of entry, country of origin as well as for selected trade blocs.

For the 2014/15 fiscal year:

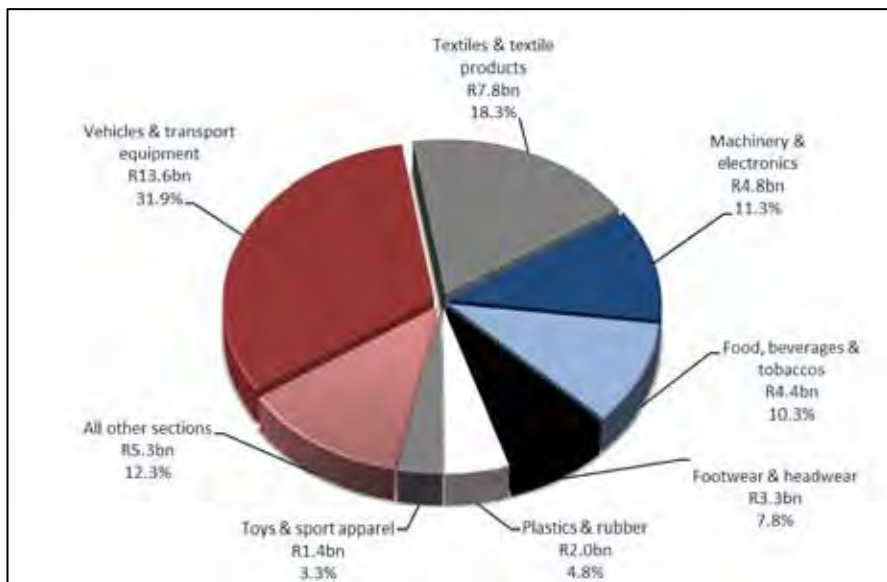
- Import Value-Added Tax (VAT) grew by only 4.2% compared with the previous year, which is a significant drop from the 17.6% growth experienced in 2013/14. Lower imports of commodities on which VAT is levied were responsible for much of the decline. This was offset partially by the weak domestic currency.
- Customs Duties (including Specific excise duties on imports and *Ad valorem* import duties) dropped by 7.9% compared with the previous year; mainly due to a significant contraction in *vehicle* imports.
- *Machinery & electronics* was the most significant contributors to Import VAT at 28.2%, compared to 30.3% in 2013/14.;
- *Vehicles & transport equipment* accounted for 31.9% of total Customs Duties, compared to 34.4% in previous year. This HS section was also the largest contributor to *Ad valorem* Import Duties (Duty 1-2B) specifically at 69.4%, similar to the 69.1% contribution of 2013/14;
- Imports from the World zones of Asia and Europe accounted for 82.3% of the combined Total Import Tax contribution of Import VAT and Customs Duties, including *Ad valorem* import duties (Duty 1-2B), a similar contribution rate to 2013/14; and
- On a country basis, China and Germany were the major sources of imports. China accounted for 25.0% of the Total Import Tax contribution for 2014/15, an uptick from 23.4% of 2013/14; and Germany's contribution increased from 12.1% in 2013/14 to 12.6%.

HIGHLIGHTS

Import VAT by HS section, 2014/15

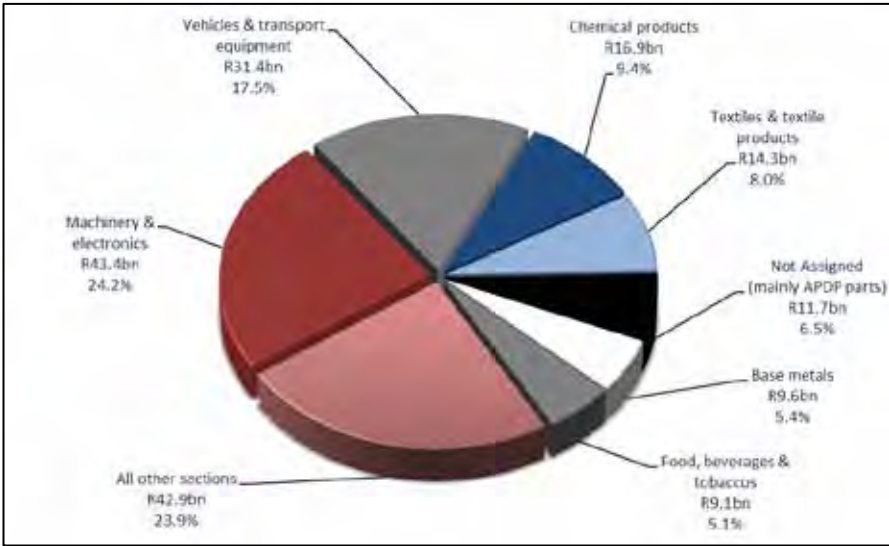


Customs duties by HS section, 2014/15



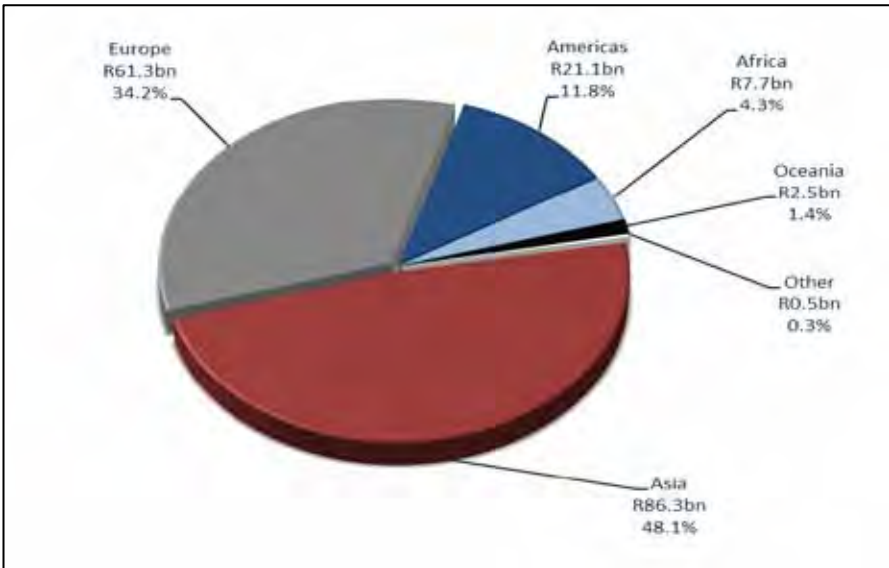
HIGHLIGHTS

Total Import Tax by HS section, 2014/15



Imports from Asia accounted for 48.1% of the Total Import Tax; followed by Europe at 34.2% and the Americas at 11.8%.

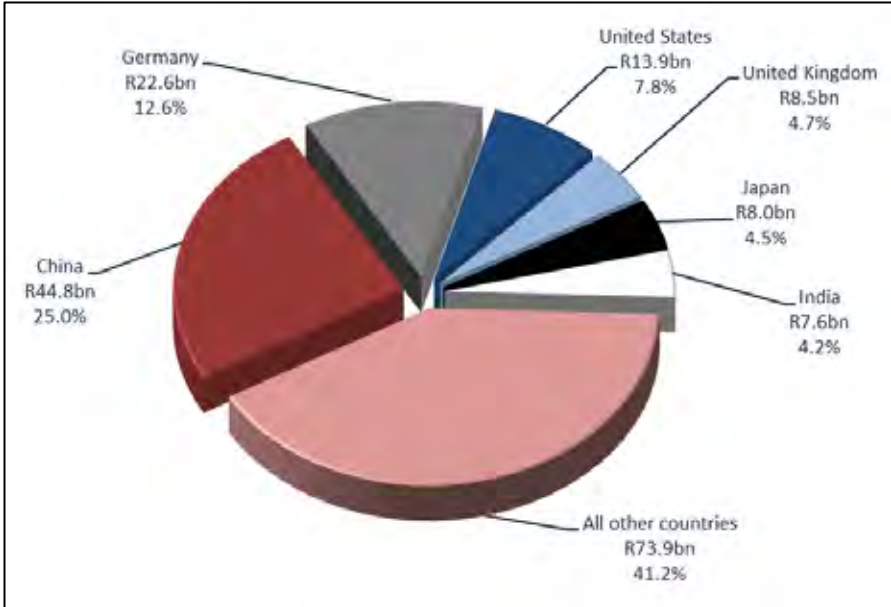
Total Import Tax by world zone, 2014/15



HIGHLIGHTS

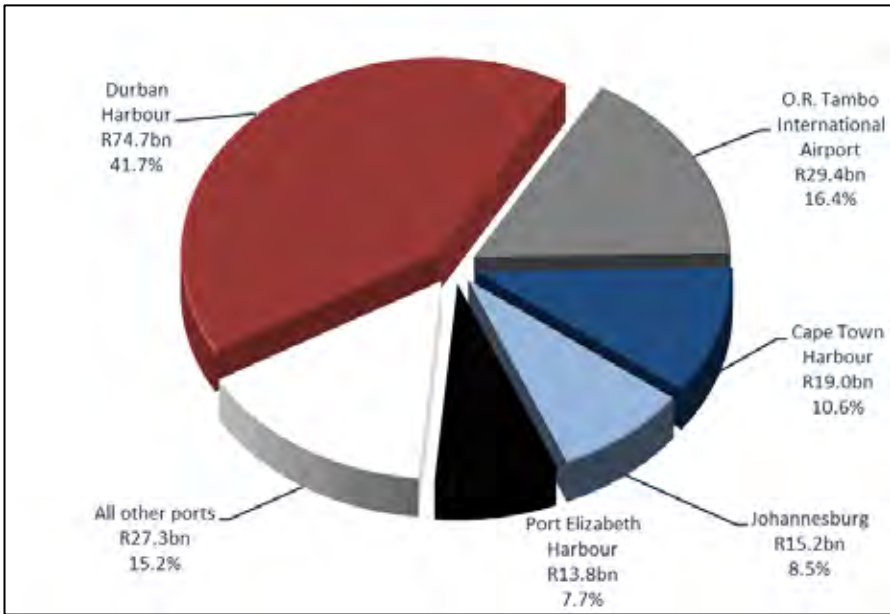
The top six countries of origin – China, Germany, the United States of America (USA), the United Kingdom (UK), Japan and India - accounted for 58.8% of the Total Import Tax for 2014/15.

Total Import Tax by country of origin, 2014/15



HIGHLIGHTS

Total Import Tax by customs port of entry, 2014/15



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. The programme, which ended in 2012, created significant incentives for the motor industry.

The MIDP's 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.

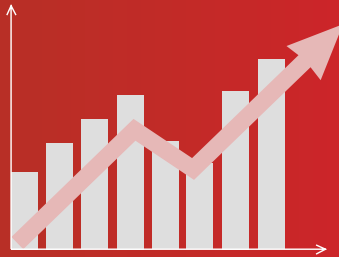
Although the APDP rewards production rather than exports, the benefit of the programme is the same as its predecessor - duty credits. A clearer picture of the effectiveness of the APDP will emerge once the benefits of the earlier MIDP have ended.

HIGHLIGHTS

For the 2014/15 fiscal year:

Capital Gains Tax of R11.7 billion raised

Increased from R11.6bn raised in 2013/14



Transfer duties of R6.7 billion collected



Property transfers that were subject to transfer duty

118 444

Average transfer duty paid

R56 280

Mineral and Petroleum Resources Royalty amounted to R5.4 billion

Decrease from previous year



15.8%

Contributions to SACU pool during 2014/15 R76.0 billion



Diesel claims granted during 2014/15 R6.9 billion

Increased from R6.1bn granted in 2013/14



HIGHLIGHTS

CHAPTER 6: OTHER TAXES AND COLLECTIONS

This chapter focuses on revenue collection trends that provide insight into specific aspects of economic activity during 2014/15. It gives an overview of:

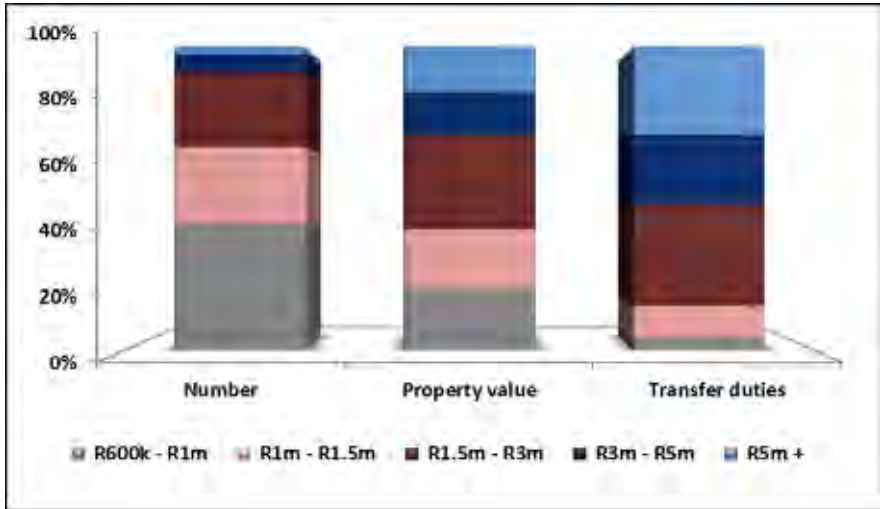
- Capital Gains Tax;
- Transfer Duty;
- Diesel Refunds;
- Mineral and Petroleum Resources Royalty; and
- Southern African Customs Union.

For the 2014/15 fiscal year:

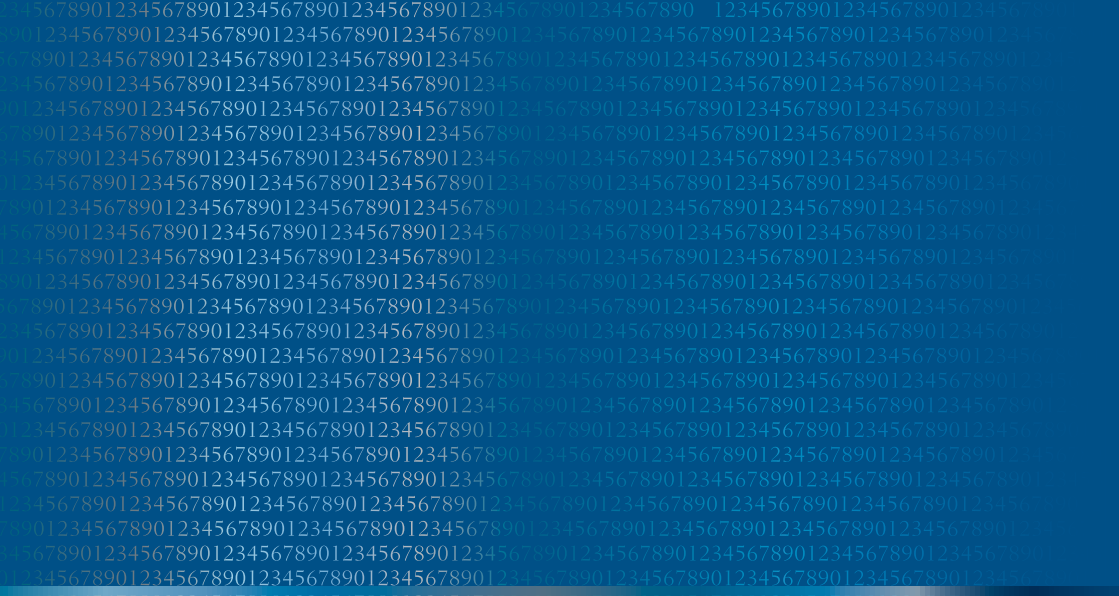
- Capital Gains Tax (CGT) of R11.7 billion was raised of which R5.5 billion was attributable to individuals and R6.1 billion to companies. This is an increase of R0.1 billion (0.6%) on the R11.6 billion raised in 2013/14. In aggregate R73.4 billion has been raised since the introduction of CGT in October 2001;
- Transfer duties of R6.7 billion were collected on 118 444 property transfers. The graph below shows the distribution of transfer duties.

HIGHLIGHTS

Distribution of transfer duty collected by property value, 2014/15



- Diesel refunds increased by R0.8 billion (12.6%) to R6.9 billion in 2014/15 from R6.1 billion in 2013/14. This increase was driven by large claims from the energy sector that used diesel generators to augment electricity production. The surge from 2013/14 is due to the inclusion of diesel set offs in Diesel refunds amounting to R1.2 billion in 2013/14 and R1.0 billion in 2014/15;
- Mineral and Petroleum Resources Royalty (MPRR) payments declined from the previous year by R1.0 billion (15.8%) to R5.4 billion and
- Total contributions to the SACU pool amounted to R76.0 billion up by 0.5% contributed in the previous year. The increase was driven by increases in imports into the SACU region.



Tax Statistics – Highlights

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