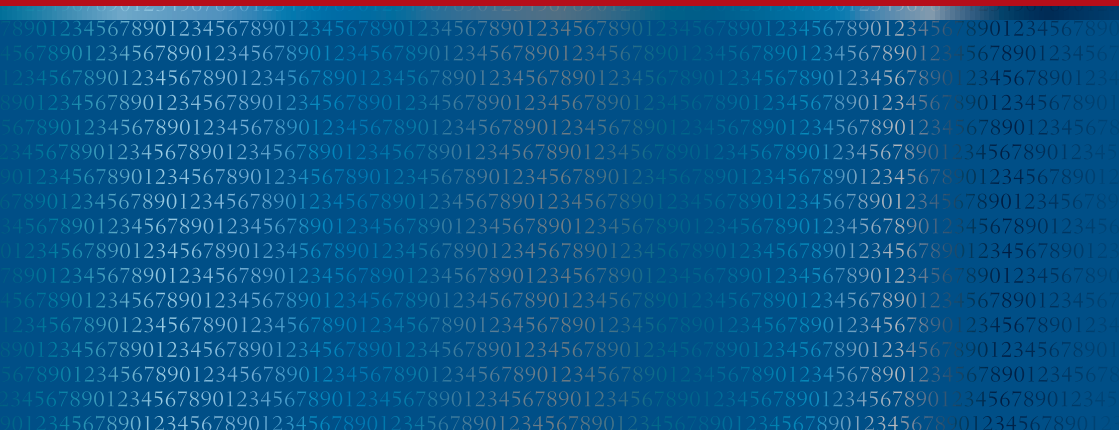


2016 Tax Statistics – Highlights

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 2016 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 in later editions.

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*The Revenue Planning, Analysis, Reporting and Research Unit now forms part of the newly established Tax, Customs and Excise Institute.

A BOUT THIS PUBLICATION

The 2016 edition of the Tax Statistics publication builds on the previous eight editions which have been published annually since 2008. This ninth edition provides an overview of tax revenue collections and tax return information for the 2012 to 2015 tax years as well as the 2011/12 to 2015/16 fiscal years.

It 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.

A full electronic version of the publication from which the Highlights booklet has been extracted (including the Excel tables used in this publication) is available for download at the websites of the South African Revenue Service (SARS) (www.sars.gov.za/About/SATaxSystem/Pages/Tax-Statistics.aspx) and that of National Treasury (www.treasury.gov.za/publications/tax%20statistics).

We welcome comments and suggestions that would enhance the value of the publication for policy evaluation and provide further insights into South Africa's social and economic contexts. Please email such comments and suggestions to taxstatistics@sars.gov.za.

HIGHLIGHTS

2016 TAX STATISTICS AT A GLANCE

DATA	TAX REGISTER AS AT MARCH 2016	EXPECTED TO SUBMIT & ACTIVE	ASSESSMENTS, PAYMENTS, REFUNDS, BILLS OF ENTRY	COLLECTIONS FOR 2015/16
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PIT	19 075 270 individuals (458 048 employers)	6 662 490 expected to submit ¹	4 788 33 assessed ¹ R1.3tr taxable income ¹ R268.5bn tax assessed ¹	PIT R389.3bn (includes PAYE)
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CIT	3 278 708 companies	897 228 expected to submit ²	702 395 assessed ² R170.8bn tax assessed ²	CIT R193.4bn
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VAT	706 874 VAT vendors	425 225 active vendors ³	R297.4bn payments ³ R167.1bn refunds ³	Net VAT R281.1bn (includes payments, refunds & Import VAT)
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Import VAT & Customs Duties	289 922 importers	R1.5tr Customs value ³ , R149.2bn Import VAT ³ , R47.6bn Customs Duties ³	Customs Duties R46.3bn
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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
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- For the 2015 tax year
- For the 2014 tax year
- For the 2015/16 fiscal year

HIGHLIGHTS

For the 2015/16 fiscal year:

Revenue collected during 2015/16 fiscal year

R1 070.0 BILLION



8.5%

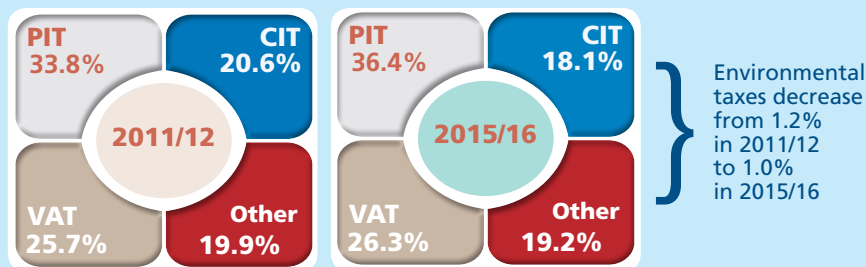
Higher by R83.7bn against 2014/15



9.6%

Compound annual growth rate (CAGR) achieved for 2011/12 to 2015/16

Composition of main sources of tax revenue

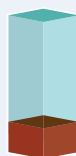


Payment Channels

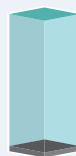
The value of payments at branch offices reduced from 5.8% in 2011/12 to only 0.3% in 2015/16



75.9%
eFiling



23.8%
Banks



0.3%
Branch offices

R35.3 BILLION



Tax relief provided to individuals during the period 2011/12 to 2015/16

COST OF REVENUE COLLECTIONS

Declined

1.11%
2011/12

0.96%
2015/16

HIGHLIGHTS

CHAPTER 1: REVENUE COLLECTIONS

This chapter provides a summary of aggregate revenue collection trends for the period 2011/12 to 2015/16.

In the 2015/16 fiscal year:

- Tax revenue collected amounted to R1 070.0 billion, growing year on year by R83.7 billion (8.5%);
- Revenue growth was mainly supported by Personal Income Tax (PIT) which grew by R35.4 billion (10.0%);
- The Tax-to-GDP ratio increased from 25.5% in 2014/15 to 26.2% in 2015/16, slightly below the peak of 26.4% achieved in 2007/08;
- The cost of revenue collection ratio decreased from 0.97% in 2014/15 to 0.96% well within the international benchmark of 1%;
- The number of individuals registered for Income Tax continued to increase to 19.1 million on 31 March 2016 from 18.2 million in the previous year. This increase is as a result of SARS' requirement that employers register all employees as taxpayers, regardless of their tax liability; and
- On 31 March 2016 there were 3.3 million registered companies (of which about 900 000 submit income tax returns) and 706 874 registered Value-Added Tax (VAT) vendors of which 425 225 (60.2%) were active.

HIGHLIGHTS

Tax register, 31 March 2012 - 31 March 2016

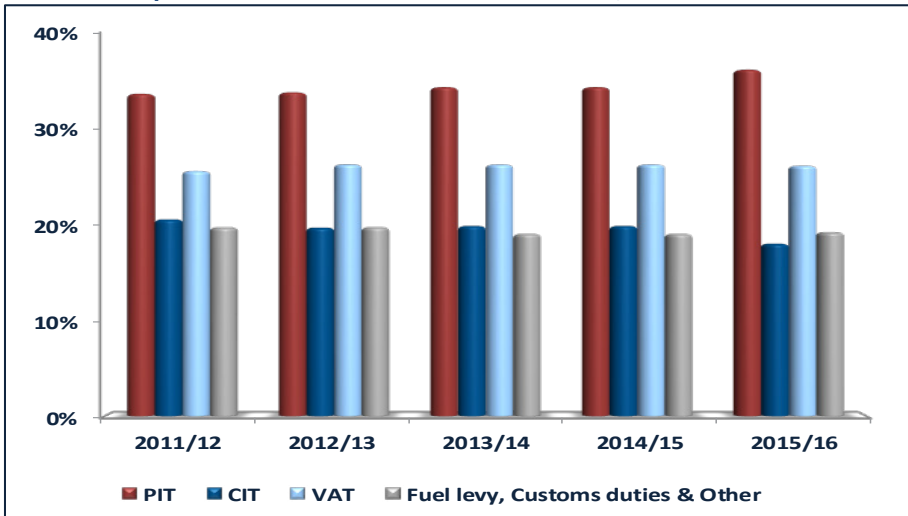
Number as at	Individuals ^{1,2}	Companies (CIT) ^{1,3}	Trusts ¹	Employers ¹ (PAYE)	VAT Vendors ¹	Importers	Exporters
31 Mar 2012	13 703 717	2 034 719	301 365	384 883	652 349	247 595	224 216
31 Mar 2013	15 418 920	2 195 883	312 066	391 254	650 540	265 497	240 709
31 Mar 2014	16 779 711	2 685 405	322 188	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
31 Mar 2016	19 075 270	3 278 708	340 000	458 048	706 874	289 922	262 162
Percentage year-on-year growth							
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%
31 Mar 2016	4.9%	11.7%	2.5%	6.6%	4.1%	3.2%	3.2%

1. Excludes cases where status is in suspense, estate and address unknown.

2. The tax year for individuals starts on 1 March and ends at the end of February the following year.

3. The tax year for companies is normally the financial year of the company for financial reporting purposes.

Relative composition of main sources of tax revenue, 2011/12 - 2015/16



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

<u>REVENUE</u>	<u>COLLECTED BY SARS</u>
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	

Total budget revenue and consolidated revenue, 2011/12 - 2015/16

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	Consoli-dated revenue ³
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%	28 468	842 294	-42 151	800 143	107 424	907 566
2013/14	900 015	101.4%	89.3%	30 626	930 641	-43 374	887 266	120 822	1 008 089
2014/15	986 295	102.2%	89.7%	30 900	1 017 195	-51 738	965 457	134 498	1 099 955
2015/16	1 069 983	99.6%	87.5%	55 055	1 125 037	-51 022	1 074 016	148 545	1 222 560

1. Includes interest, dividends, rent on land, sales of goods and services, fines and penalties, sales of capital assets, financial transactions in assets and liabilities, MPRR as well as extraordinary receipts.

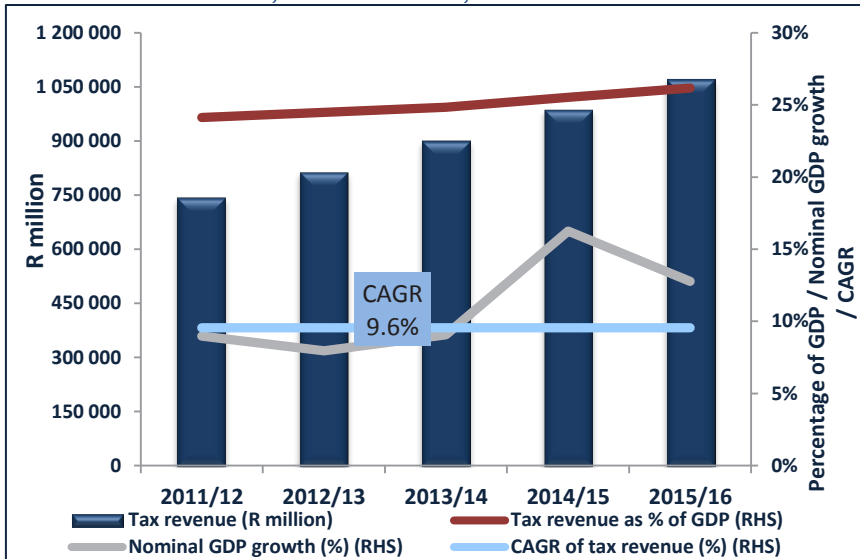
2. Includes provinces, social security and selected public entities.

3. The audited figure for consolidated revenue for 2015/16 was not available at the time of publication. The figure used is the estimate provided in the Budget Review 2016.

The South African Tax-to-GDP ratio showed a general upward trend during the past 20 years from a low of 21.9% in 1995/96 to 26.2% in 2015/16. This growth was largely driven by increased contributions from PIT and VAT.

HIGHLIGHTS

Tax revenue collections, GDP and CAGR, 2011/12 - 2015/16



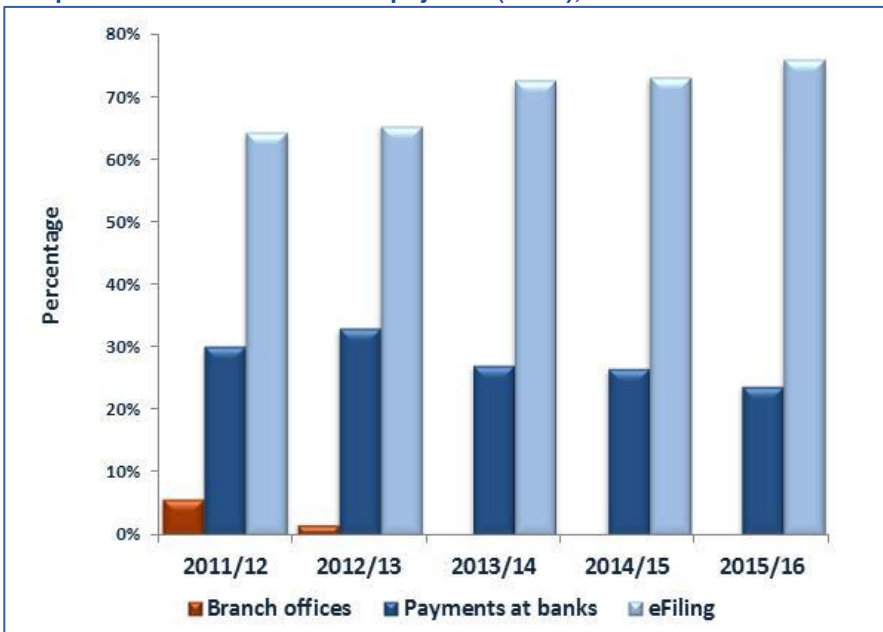
The SARS Modernisation Programme enabled the migration of the majority of taxpayers to electronic payment platforms and in the process significantly improved turnaround times. Cash collections at branch offices have been significantly reduced as has the risks associated with it. Payment methods other 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.

The eFiling payments channel constitutes most of the number of payments received by SARS and accounted for 75.9% of the total value of all taxpayer payments in 2015/16. This is significantly higher than in 2011/12 when this channel accounted for 64.2% of the total value of payments processed.

HIGHLIGHTS

Composition of main channels of payment (value), 2011/12 - 2015/16



The cost of tax revenue collection is an important indicator of the efficiency of revenue authorities in collecting revenue and is used for comparative analysis when benchmarking against other countries.

SARS' cost-to-tax-revenue ratio remains in line with the international benchmark of 1%. In the past five years the ratio has ranged around the 1% mark and moved from a high of 1.11% in 2011/12 to a low of 0.96% in 2015/16. This indicates that SARS has contained operational costs while also increasing the amount of revenue it has collected.

HIGHLIGHTS

Cost of revenue collections, 2011/12 - 2015/16

R million	Tax revenue collected	Operating cost ¹	Cost of collection ²
2011/12	742 650	8 221	1.11%
2012/13	813 826	8 696	1.07%
2013/14	900 015	8 702	0.97%
2014/15	986 295	9 528	0.97%
2015/16	1 069 983	10 245	0.96%

1. Operating cost as disclosed in the Statement of Financial Performance for the controlling entity in the SARS: Own Accounts Annual Financial Statements.
2. Operating cost as a percentage of tax revenue.

HIGHLIGHTS

HIGHLIGHTS

For the 2015/16 year:

<p>PIT largest source of revenue</p> <p>36.4%</p>	<p>Growth in the individual taxpayer register</p> <p>8.4%</p>
<p>71.9% Assessed</p> <p>Registered individual taxpayers = 18.2 million Assessed taxpayers = 4.8 million</p>	<p>55.7% Males assessed</p> <p>44.3% Females assessed</p>
<p>Aggregated taxable income of assessed individual taxpayers</p> <p>R1.3 trillion</p>	<p>Tax liability of assessed individual taxpayers</p> <p>R268.5 billion</p>
	<p>46.0% PAYE payments received from the financial intermediation, insurance sector</p>

Of those assessed

- 67.6%** Received refunds
- 19.6%** Owed SARS some tax
- 12.8%** Had a zero assessment

- 40.1%** Were registered in Gauteng
- 27.0%** Were in the 35 - 44 age group
- 4.9%** 23 573 Declared business income

Allowances and deductions

- Travel** was the largest allowance at R25.3bn (25.5% of total allowances assessed)
- Contributions to pension and retirement annuity funds** was the largest deduction at R47.4bn (61.9% of all deductions granted)
- Medical aid** paid on behalf of employees was the largest fringe benefit at R40.3bn (74.0% of total fringe benefits assessed)

10 year tables

<p>3 806 986 Taxpayers assessed for the 2005 tax year</p>	<p>5 519 569 Assessed for the 2014 tax year</p>	<p>2 280 482 Taxpayers assessed for all tax years 2005 - 2014</p>
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Municipalities

Statistics available on assessed tax for individual taxpayers in 234 municipalities

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.

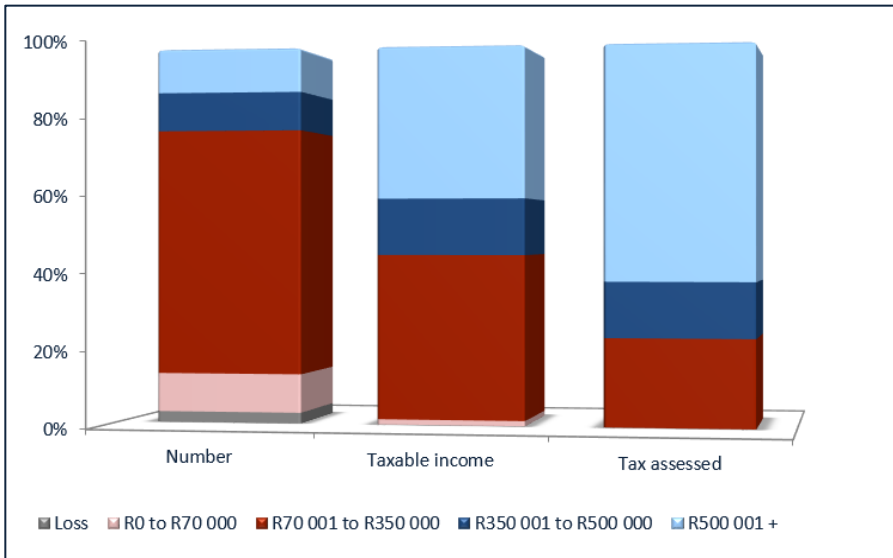
For the 2015 tax year the Budget, presented in February 2014, included:

- An increase in the threshold for the top PIT bracket to R673 100;
- Increases in the primary, secondary and tertiary rebates to R12 726, R7 110 and R2 367 respectively. This increased the tax thresholds for taxpayers below the age of 65 to R70 700; for those 65-74 years to R110 200 and 75 years and older to R123 350.
- SARS received more than 17.5 million employees' tax certificates (IRP5s) that could be linked to just over 13.4 million individuals.

The average taxable income of taxpayers who have been assessed every year since 2005, increased by a compound annual growth rate of 12.2%. There were 3 806 986 taxpayers assessed in 2005. Of these, 2 280 482 taxpayers (59.9%) had been assessed for each of the subsequent nine years (2006 to 2014).

HIGHLIGHTS

Distribution of assessed individual taxpayers in taxable income group, 2015

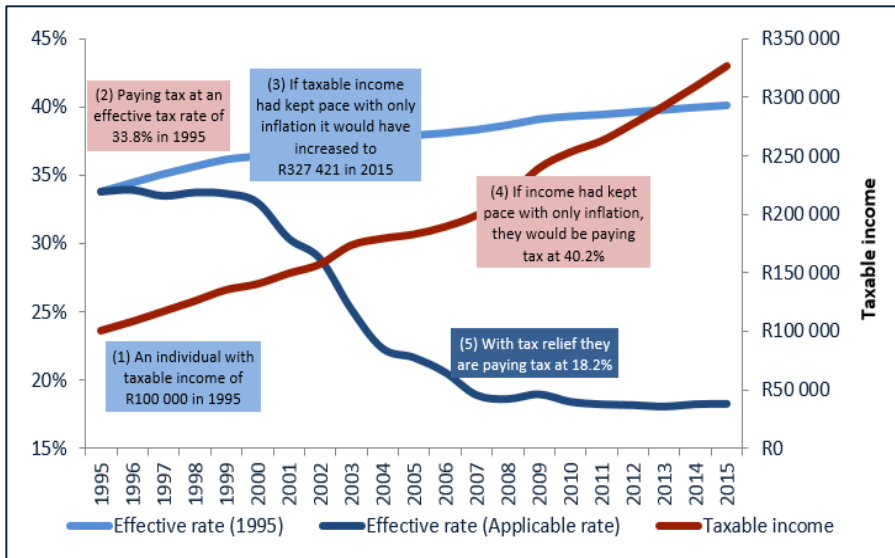


The tax burden aggregated across all taxpayers, as indicated by the tax assessed as a percentage of taxable income, was stable during the period under review at around 20% for the period under review. This indicates the effectiveness of using tax relief to combat fiscal drag. The extent of tax relief, including “fiscal drag relief”¹, is 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 R76.5 billion allowed as deductions in 2015 was granted to taxpayers in the R500 000 + income bracket. Of their income, 6.1% was granted as a deduction.

HIGHLIGHTS

Assessed taxpayers by income group, deductions granted & taxable income, 2015

Tax year	2015				
	Income group	Number of taxpayers	Income before deductions (R million)	Deductions allowed (R million)	Taxable income (R million)
	<= 0	131 110	-16 011	29	-16 040
	1 – 70 000	478 495	18 099	231	17 869
	70 001 – 350 000	3 012 171	581 717	24 989	556 728
	350 001 – 500 000	527 958	218 510	13 195	205 315
	500 000 +	638 600	621 427	38 021	583 406
	Total	4 788 334	1 423 743	76 465	1 347 278
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	-122 117	225	-122 342	0.2%
	1 – 70 000	37 825	482	37 343	1.3%
	70 001 – 350 000	193 122	8 296	184 826	4.3%
	350 001 – 500 000	413 878	24 992	388 886	6.0%
	500 000 +	973 109	59 539	913 570	6.1%
	Total	297 336	15 969	281 367	5.4%

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, 2012 – 2015

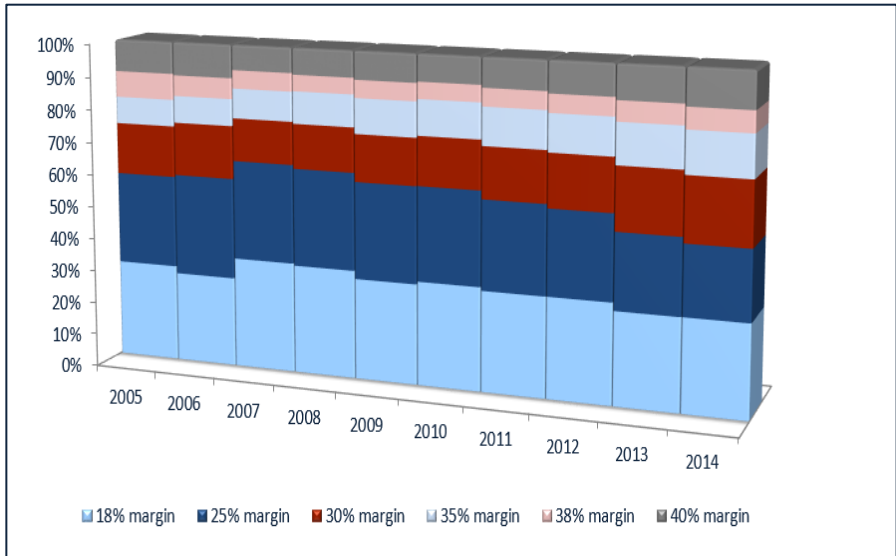
Date	Registered	Percentage growth in register	Tax year	Expected to submit returns	Assessed	Percentage assessed
31-Mar-12	13 703 717	32.5%	2012	6 695 157	6 172 158	92.2%
31-Mar-13	15 418 920	12.5%	2013	6 766 436	5 914 309	87.4%
31-Mar-14	16 779 711	8.8%	2014	6 796 423	5 519 569	81.2%
31-Mar-15	18 185 538	8.4%	2015	6 662 490	4 788 334	71.9%

HIGHLIGHTS

To track the fluctuations in taxable income of taxpayers over a 10 year tax period, all taxpayers who were assessed every year since 2005, 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.

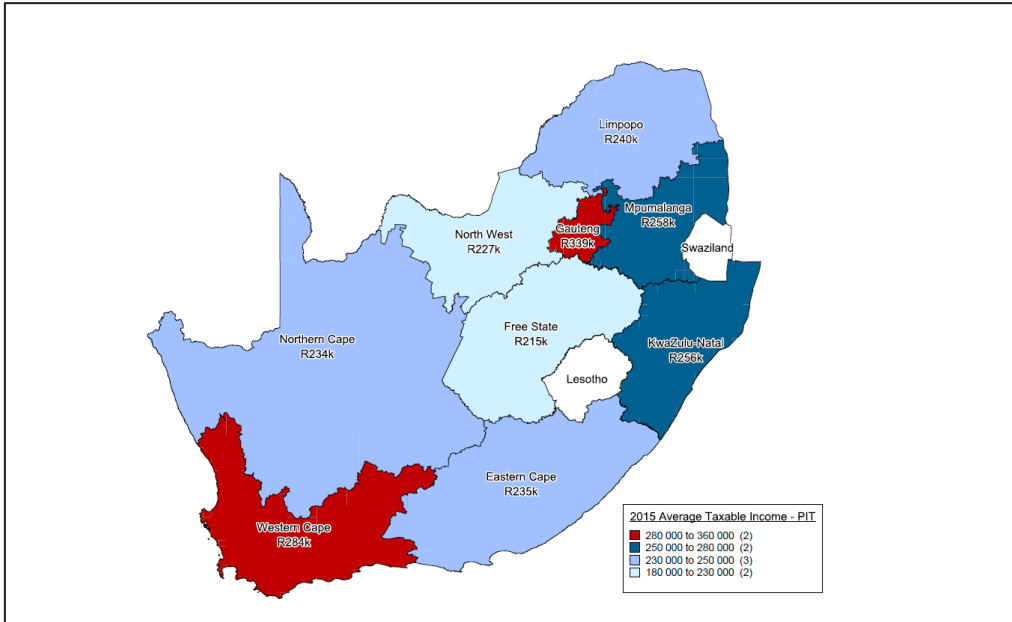
Proportion of the 2.2 million 10 year taxpayers by marginal tax rates, 2005 - 2014



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 at R338 899 while the Free State indicates the lowest average taxable income at R214 968.

HIGHLIGHTS

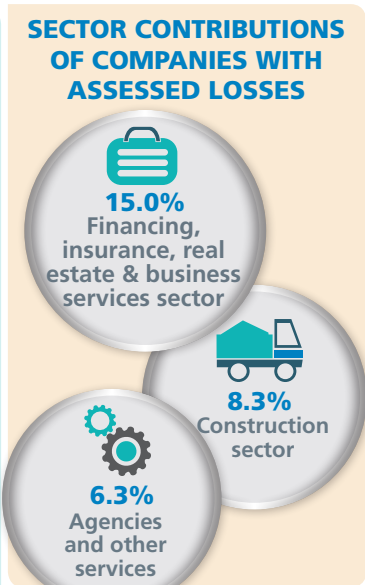
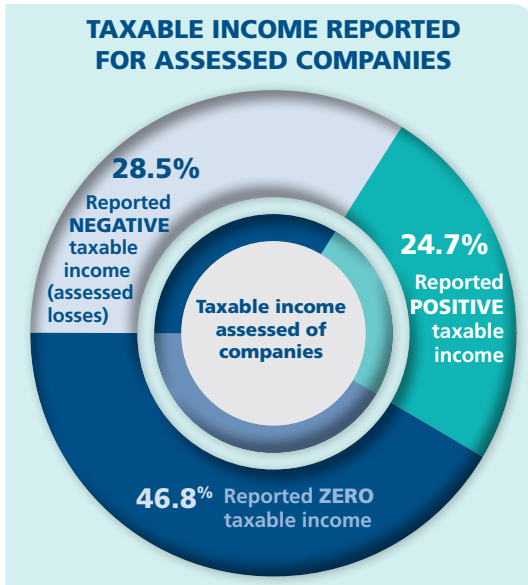
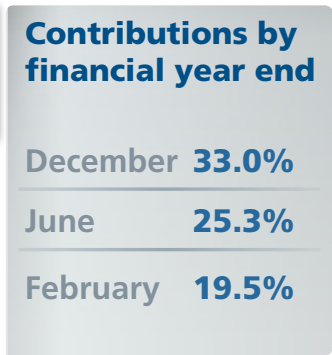
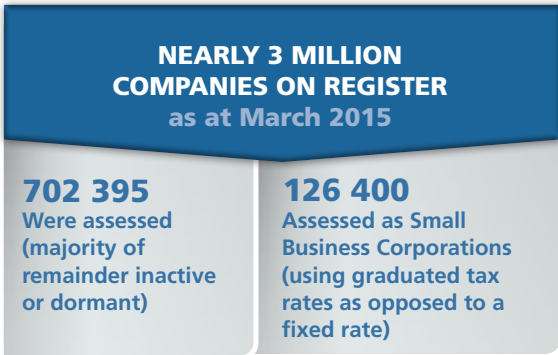
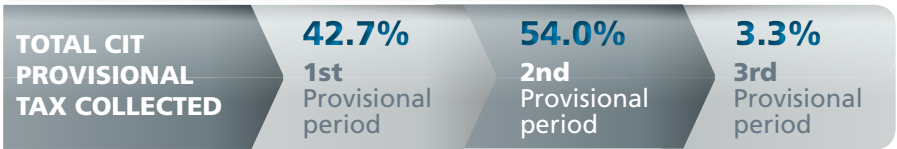
Average taxable income per assessed taxpayer by province (based on residential address), 2015



HIGHLIGHTS

HIGHLIGHTS

For the 2014 tax year:



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 2014 tax year and CIT collections in the 2015/16 fiscal year shows:

- At 18.1%, CIT was the third largest contributor to total tax revenue collected in 2015/16, compared with a peak of 26.7% achieved prior to the global financial crisis in 2008/09;
- About 25% of the 702 395 companies assessed had positive taxable income. A further 47% had taxable income equal to zero and the remaining 28% reported an assessed loss;
- The concentrated nature of the South African economy is evident as only 325 large companies (0.2% of companies with positive taxable income) had taxable income of more than R200 million but were liable for 57.6% of the CIT assessed;
- The *Financial intermediation, insurance, real-estate & business services* sector consisted of 185 070 (26.3%) of the assessed companies but was responsible for 37.7% of the CIT assessed;
- There were over 2.9 million companies registered for CIT as at 31 March 2015 of which 899 423 were expected to submit income tax returns for the 2014 tax year;
- As at August 2016, 702 395 companies were assessed, and 126 400 were assessed as Small Business Corporations (SBCs) being taxed at the applicable graduated income tax rate instead of the fixed company tax rate of 28%; and
- Introduction of 80% rule improved CIT compliance and brought most of the CIT liability collections into the applicable year of assessment.

HIGHLIGHTS

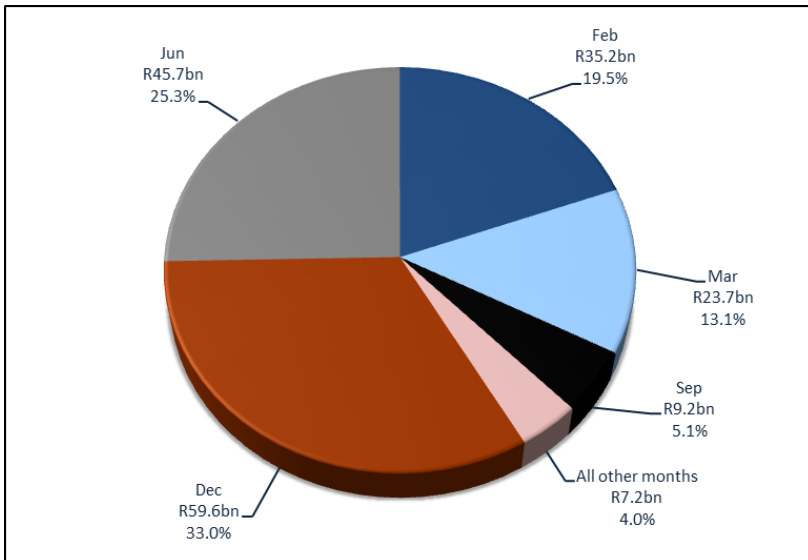
During 2014/15, 52.5% of the tax paid related to the 2014 tax year and 46.4% related to the 2015 tax year.

- The application of the 80% rule further resulted in substantially reducing third provisional tax payments from 22% in 2008/09 to 3% in 2015/16.

Provisional tax payments by provisional period by tax year, 2012 – 2015

Period R million Tax year	1st Provisional period	Percentage change	2nd Provisional period	Percentage change	3rd Provisional period	Percentage change	Total
2012	65 710	13.7%	85 123	1.1%	4 995	-22.0%	155 827
2013	72 112	9.7%	95 097	11.7%	7 382	47.8%	174 591
2014	77 062	6.9%	97 553	2.6%	5 937	-19.6%	180 552
2015	76 555	-0.7%	101 715	4.3%	4 468	-24.7%	182 739
Percentage of total							
2012	42.2%		54.6%		3.2%		100.0%
2013	41.3%		54.5%		4.2%		100.0%
2014	42.7%		54.0%		3.3%		100.0%
2015	41.9%		55.7%		2.4%		100.0%

Provisional tax payments by companies financial year end, 2014



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Provisional tax collections for the previous tax years except for 2012 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 year is, therefore, a good gauge of the completeness of the issued assessments.

Provisional tax payments and tax assessed by tax year, 2012 – 2015

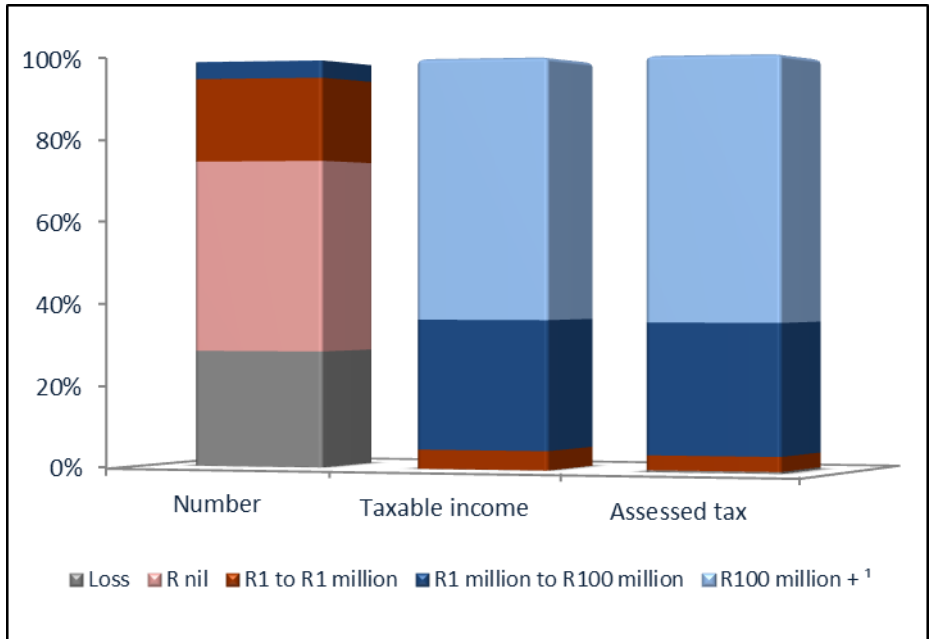
R million Tax year	Provisional tax payments	Tax assessed	Tax assessed as % of provisional tax payments
2012	155 827	157 578	101.1%
2013	174 591	169 760	97.2%
2014	180 552	170 765	94.6%
2015	182 739	105 392	57.7%

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 yet 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 2014 tax year.

HIGHLIGHTS

Assessed companies, taxable income and tax assessed by taxable income group, 2014



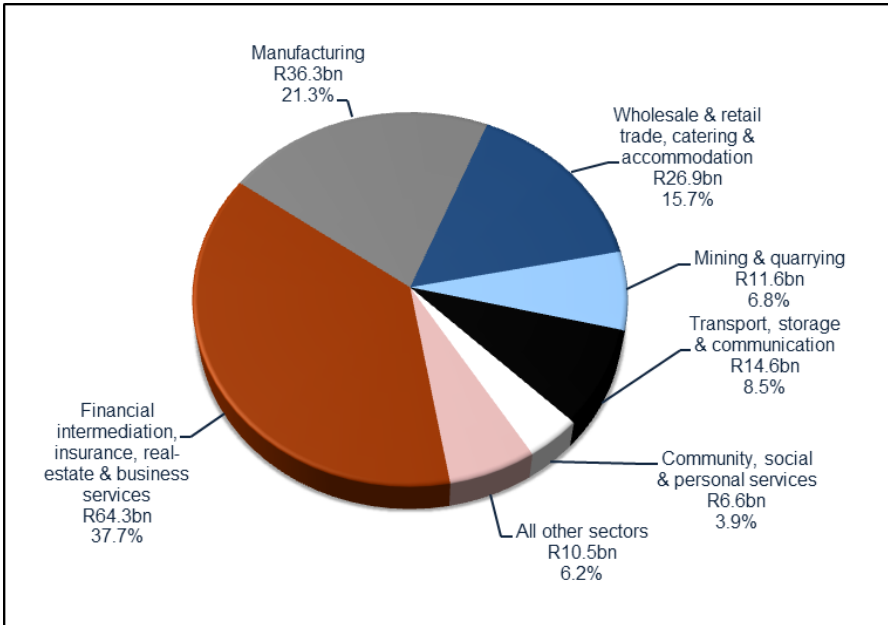
1. Companies with taxable income greater than R100 million constituted 0.1% of the number of companies (not visible in number bar) but contributed 63.6% of taxable income and 64.1% of assessed tax.

Distribution by sector

The *Financial intermediation, insurance, real-estate & business services* was the largest sector, with 26.3% of the total number of companies assessed, in 2014. This sector accounted for 37.7% of the tax assessed in 2014.

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Companies' tax assessed by economic activity, 2014



Small Business Corporations (SBCs)

Companies are taxed as SBCs if they meet specific criteria. This criteria includes amongst others, an annual gross income 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.

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 2012 to the 2015 tax years. The threshold of the first SBC bracket increased by 15.9% from R63 556 in 2012 to R73 650 in 2015.

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Small Business Corporations' tax rates, 2012 and 2015

Tax year	2012		SBC rate for 2012	2015		SBC rate for 2015	Percentage increase in top bracket
Band	0	– 63 556	0%	0	– 73 650	0%	15.9%
Taxable income	63 557	– 350 000	10%	73 651	– 365 000	7%	4.3%
brackets	350 001	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 2014 tax rates or 2015 tax rates. This would occur because:

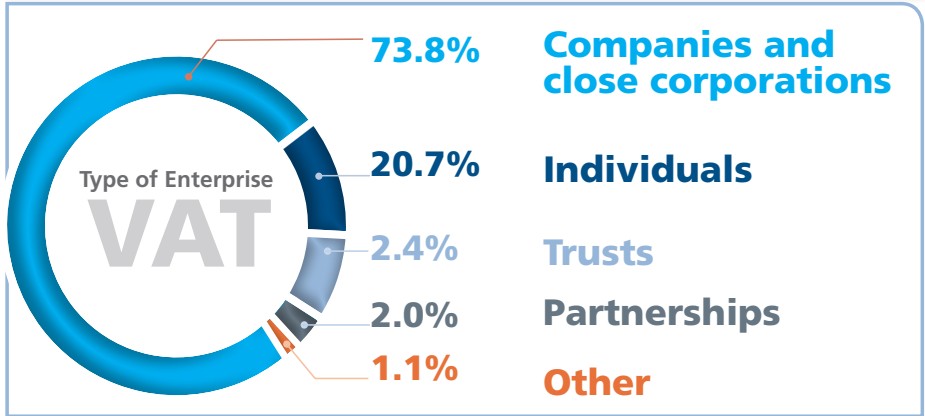
- 2014 tax rates (rates in effect from 1 April 2013 to 31 March 2014) are applicable to SBCs with years of assessment ending between 1 January 2014 and 31 March 2014; and
- 2015 tax rates (rates in effect from 1 April 2014 to 31 March 2015) are applicable to SBCs with years of assessment ending between 1 April 2014 and 31 December 2014.

HIGHLIGHTS

For the 2015/16 fiscal year:

706 874 Registered VAT vendors

425 225 (60.2%) were active



85.6%



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

38.3%



VAT vendors with a turnover of R1 million or less

11.4%

Vendors making payments and receiving refunds in the monthly category

Account for **76.8%** of VAT payments



Account for **89.3%** of VAT refunds



Ratio of payments and refunds

R2.93
Output tax declared

R2.10
Input tax claimed

R1.93
Input tax claimed

R1.10
Output tax declared

R1
Domestic VAT collected

R1
VAT refunded

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 2015/16 fiscal year:

- Net VAT collections grew by 7.6% compared to the previous year. Aggregate growth in net VAT revenue was driven by a growth of 10.4% in Import VAT payments (Chapter 5), and moderated by a 3.7% increase in Domestic VAT payments.
- Growth in Domestic VAT payments was curtailed by subdued consumption expenditure by households. Consumption was constrained by low consumer confidence and high debt levels, high costs of servicing debt as well as slow growth in employment. The main sectors that contributed to Domestic VAT growth were *Financial intermediation, insurance, real-estate & business services; Community social & personal services; as well as Construction;*
- VAT refunds were contained by a decline in refunds of R1.5 billion (4.2%) in the *Financial intermediation, insurance, real-estate & business services;* R0.8 billion (23.5%) in the *Electricity, gas & water;* as well as R0.6 billion (8.3%) in the *Transport, storage & communication* sectors. VAT refunds increased in the *Wholesale & retail trade, catering & accommodation; Community, social & personal services;* as well as *Mining & quarrying* sectors; and
- There were 706 874 registered VAT vendors as at 31 March 2016, of which 425 225 (60.2%) were active. A vendor is regarded as active if a VAT payment was received from or a VAT refund was made to the vendor during the fiscal year.

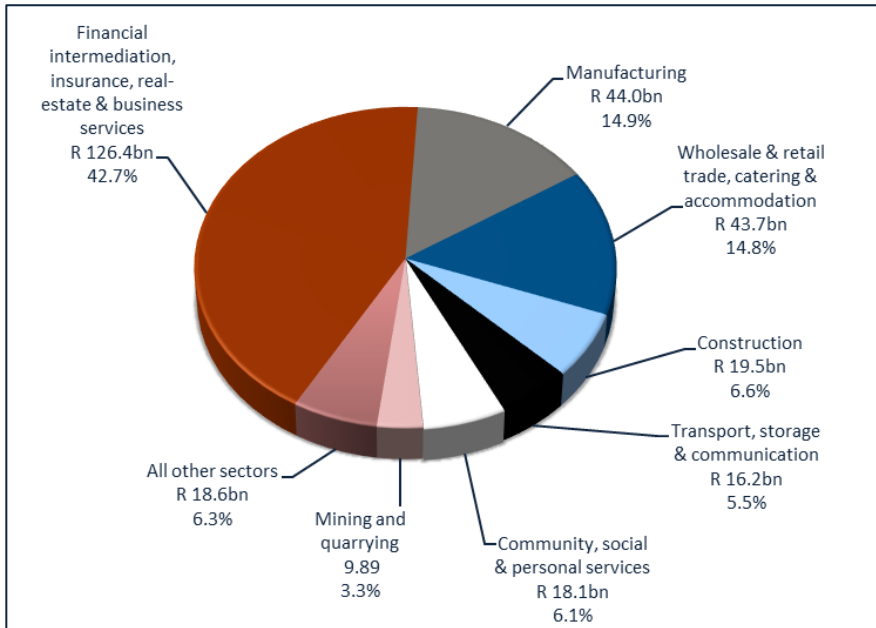
HIGHLIGHTS

Number of registered VAT vendors

Fiscal year	Registered ¹	Percentage growth rates	Active vendors	Percentage growth rates
2011/12	652 349		441 820	
2012/13	650 540	-0.3%	431 572	-2.3%
2013/14	662 194	1.8%	424 562	-1.6%
2014/15	679 274	2.6%	420 940	-0.9%
2015/16	706 874	4.1%	425 225	1.0%

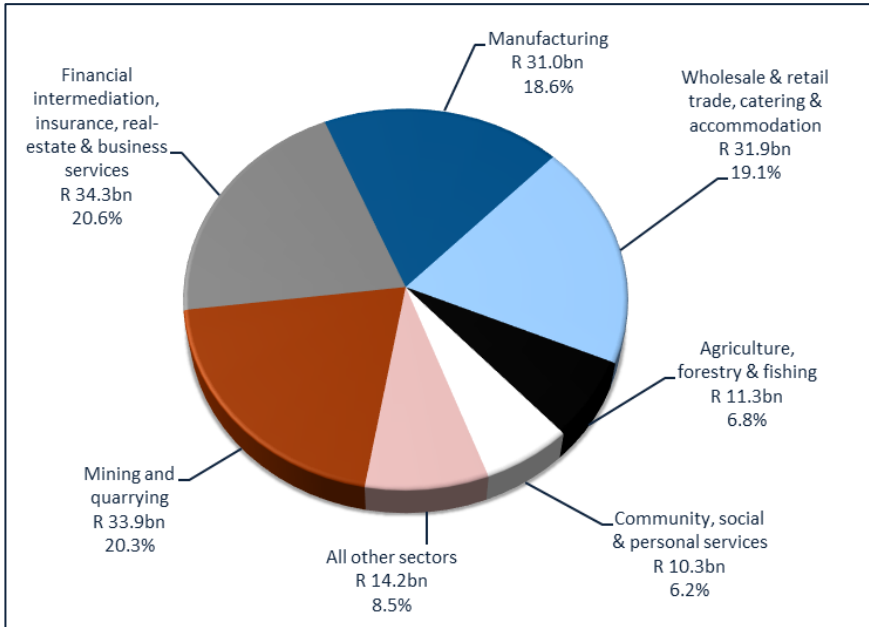
1. As per register at 31 March of each year. Excludes coded cases where status is in suspense or estate or address unknown.

VAT payments by economic activity, 2015/16



HIGHLIGHTS

VAT refunds by economic activity, 2015/16



From 2012/13 to 2013/14, the supply of standard-rated goods and services contributed slightly less than 96.0% to total output tax. Since 2014/15, this percentage has risen to 96.2%.

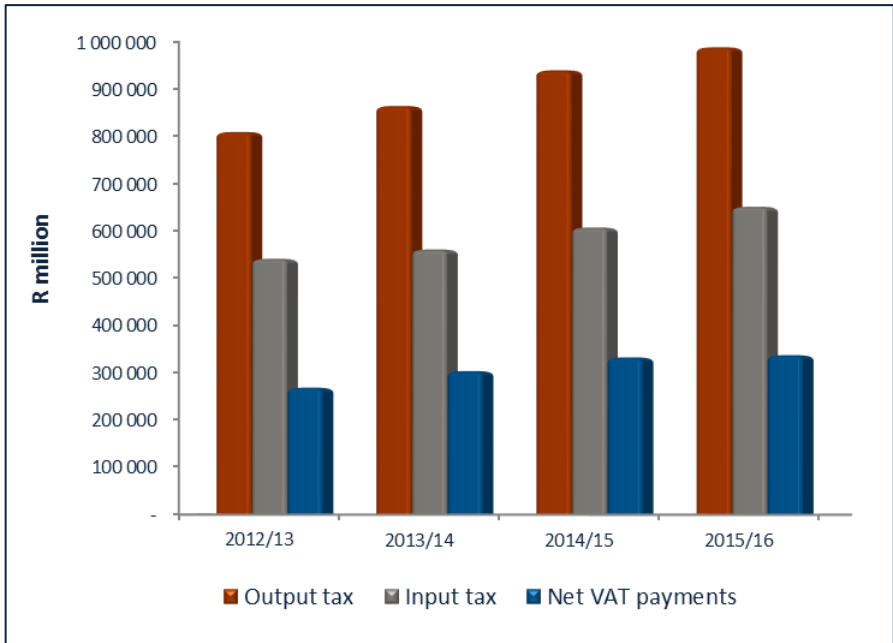
Output tax by class of supply, 2012/13 - 2015/16

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					
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
2015/16	1 173 226	32 020	2 540	11 363	1 219 150
Percentage of total					
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%
2015/16	96.2%	2.6%	0.2%	0.9%	100.0%

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

HIGHLIGHTS

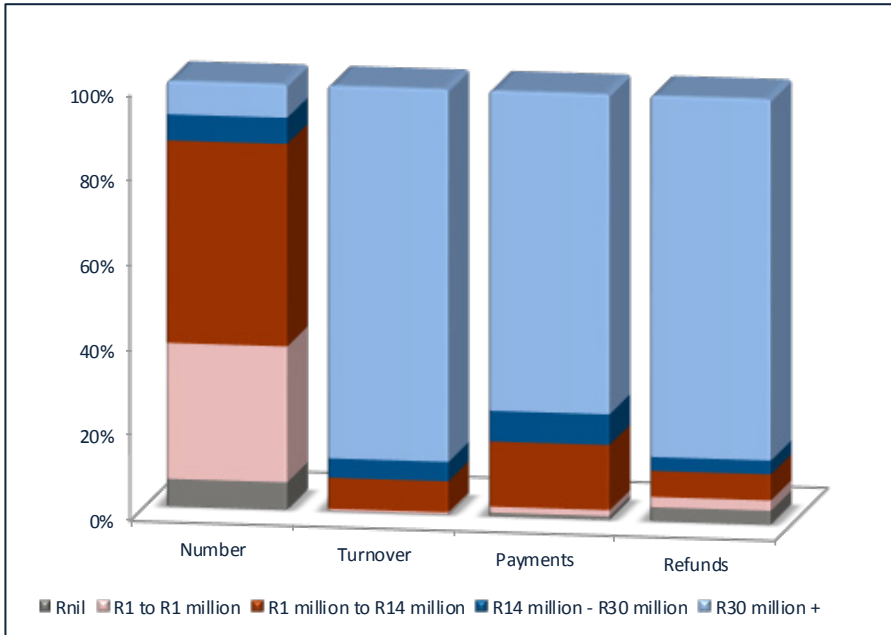
Composition of Domestic VAT payments (output/input), 2012/13 – 2015/16



In 2015/16, 38.3% of VAT vendors had a turnover of R1 million or less. These vendors, however, accounted for only 2.2% of Domestic VAT payments and 5.6% of VAT refunds. In contrast, 2.8% of VAT vendors who had an annual turnover greater than R100 million, accounted for 62.1% of Domestic VAT payments and 77.6% of VAT refunds.

HIGHLIGHTS

Distribution of VAT vendors by turnover group, 2015/16



Vendors per annualised turnover (payments and refunds), 2012/13 – 2015/16

	2012/13	2013/14	2014/15	2015/16
Number of vendors	431 572	424 562	420 940	425 225
Turnover (R million)	9 423 538	10 318 338	11 192 846	11 700 998
Payments (R million)	242 356	262 575	285 485	296 348
Refunds (R million)	-137 998	-157 983	-162 021	-166 760
Nett VAT	104 357	104 592	123 463	129 588
Nett as % of turnover	1.1%	1.0%	1.1%	1.1%

HIGHLIGHTS

For the 2015/16 fiscal year:

Number of registered importers

289 922

10.4%

Growth of Import VAT y/y up from 4.2% mainly due to:

- Steady volumes of key VAT-able imports
- Boosted by gains from a weak domestic currency



28.4%

Biggest contributor to Import VAT

Machinery and electronics

Main contributor to Customs Duties and Ad valorem import duties: Vehicles & transport equipment

27.6%

Customs Duties



70.5%

Ad valorem import duties

The main contributors by world zone to Total Import Tax are:



Americas
11.9%

Industrial machinery
Vehicles
Cellphones

Europe
34.7%

Vehicle & parts
Steam turbines
Whisky

Asia
47.4%

Vehicles
Cellphones
Industrial machinery & mechanical appliances

HIGHLIGHTS

CHAPTER 5: IMPORT VAT AND CUSTOMS DUTIES

This chapter provides information on the Customs value, Import VAT, Customs Duties and Total Import Tax revenues by HS Section, world zone, customs port of entry, country of origin as well as for selected trade blocs.

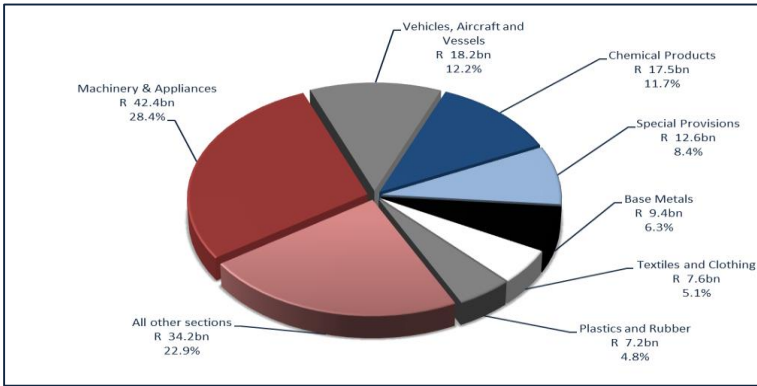
For the 2015/16 fiscal year:

- Import VAT grew by 10.4% against the previous year, which is an improvement on the 4.2% growth recorded in 2014/15. This increase was driven mainly by gains from exchange rate weakening combined with a steady growth in the importation of capital equipment;
- Customs Duties (including Specific excise duties on imports and Ad valorem import duties) also benefiting from a weakening domestic currency, grew year-on-year by 13.7%, which is a turn-around from the 7.9% contraction in 2014/15;
- Machinery & Appliances were the most significant contributors to Import VAT at 28.4%, similar to the 28.2% contribution in 2014/15;
- Vehicles, Aircraft and Vessels accounted for 27.6% of Customs Duties, continuing on a downward trajectory from 31.9% in 2014/15 and 34.4% in 2013/14;
- Imports from the world zones of Asia and Europe accounted for 82.2% of the combined Total Import Tax contribution, a similar contribution rate to 2014/15; and
- On a country basis, China and Germany were the major sources of imports. China accounted for 25.4% of the Total Import Tax contribution for 2015/16, a marginal uptick from 24.9% in 2014/15, while Germany's contribution remained consistent at 12.5% from 12.6% last year.

HIGHLIGHTS

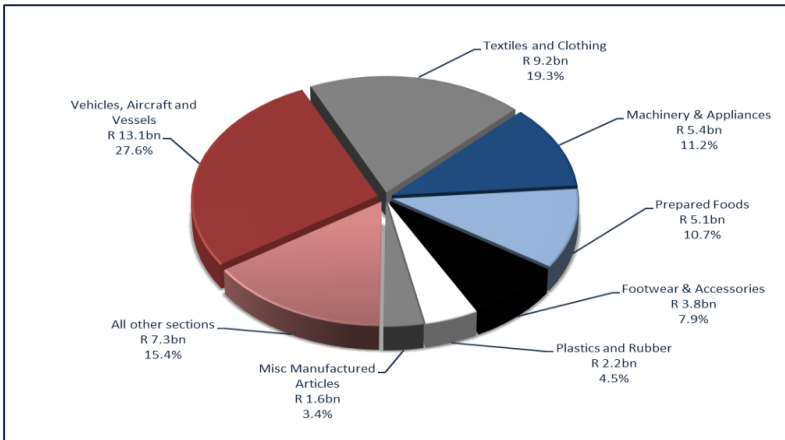
Import VAT for 2015/16 was mostly collected from the importation of *Machinery & Appliances* (28.4%), *Vehicles, Aircraft and Vessels* (12.2%) and *Chemical Products* (11.7%).

Import VAT by HS section, 2015/16



The largest contributors to Customs Duties in 2015/16, were *Vehicles, Aircraft and Vessels* (27.6%), *Textiles and Clothing* (19.3%) and *Machinery & Appliances* (11.2%).

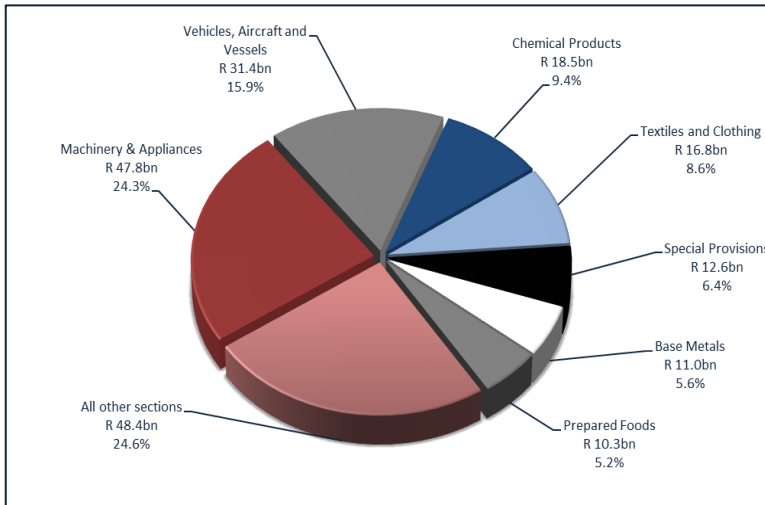
Customs Duties by HS section, 2015/16



HIGHLIGHTS

The top three contributing chapters – *Machinery & Appliances, Vehicles, Aircraft and Vessels* and *Chemical Products* – combined make up almost half of the Total Import Tax for 2015/16.

Total Import Tax by HS section, 2015/16

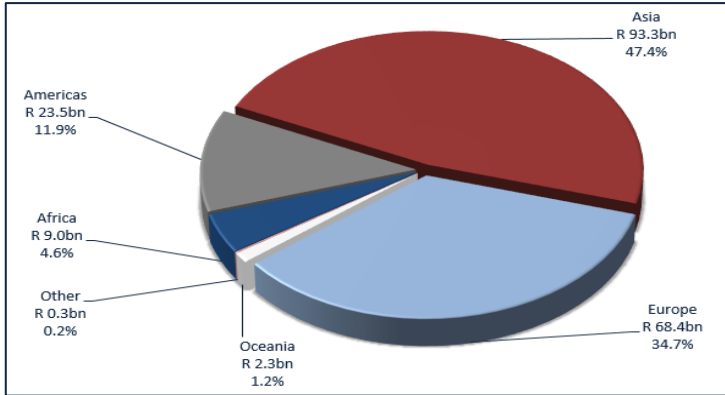


HIGHLIGHTS

By world zone and selected trade blocs

Imports from Asia accounted for 47.4% of the Total Import Tax, followed by Europe at 34.7% and the Americas at 11.9%.

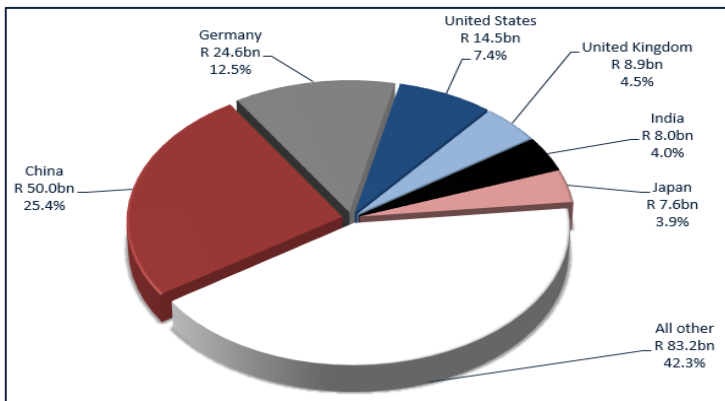
Total Import Tax by world zone, 2015/16



By country of origin

The top six countries of origin – China, Germany, the United States of America (USA), the United Kingdom (UK), Japan and India - accounted for 57.7% of the Total Import Tax for 2015/16.

Total Import Tax by country of origin, 2015/16



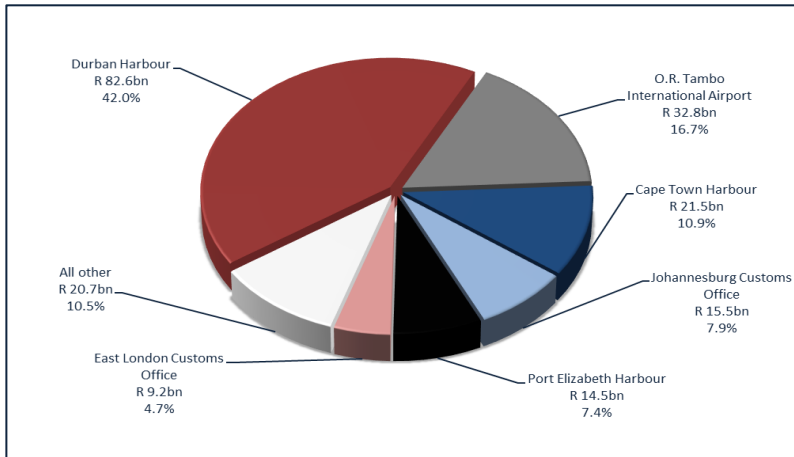
HIGHLIGHTS

The top five customs ports of entry – Durban Harbour, OR Tambo International Airport, Cape Town Harbour, Johannesburg Customs Office and Port Elizabeth Harbour - account for almost 85.0% of the Total Import Tax for 2015/16.

Total Import Tax by customs port of entry, 2015/16

	2012/13	2013/14	2014/15	2015/16
Number of vendors	431 572	424 562	420 940	425 225
Turnover (R million)	9 423 538	10 318 338	11 192 846	11 700 998
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Total Import Tax by customs port of entry, 2015/16

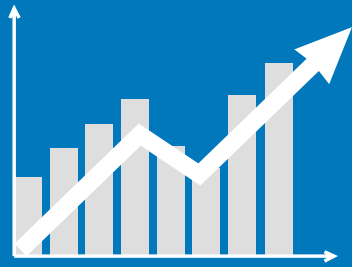


HIGHLIGHTS

For the 2015/16 fiscal year:

Capital Gains Tax of R16.7 billion raised

Increased from R11.7bn raised in 2014/15



Transfer duties of R7.4 billion collected



Property transfers that were subject to transfer duty

101 094

Average transfer duty paid

R73 163

Mineral and Petroleum Resources Royalty amounted to R3.7 billion

Decrease from previous year



Contributions to SACU pool during 2015/16 R84.3 billion



Diesel claims granted during 2015/16 R9.3 billion

Increased from R6.9bn granted in 2014/15



HIGHLIGHTS

CHAPTER 6: OTHER TAXES AND COLLECTIONS

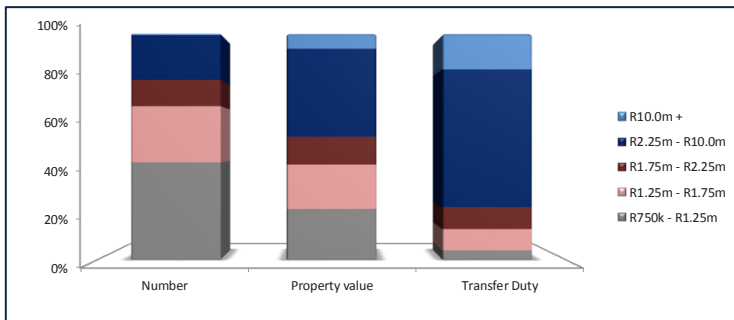
This chapter focuses on revenue collection trends that provide insight into specific aspects of economic activity during 2015/16. It gives an overview of:

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

For the 2015/16 fiscal year:

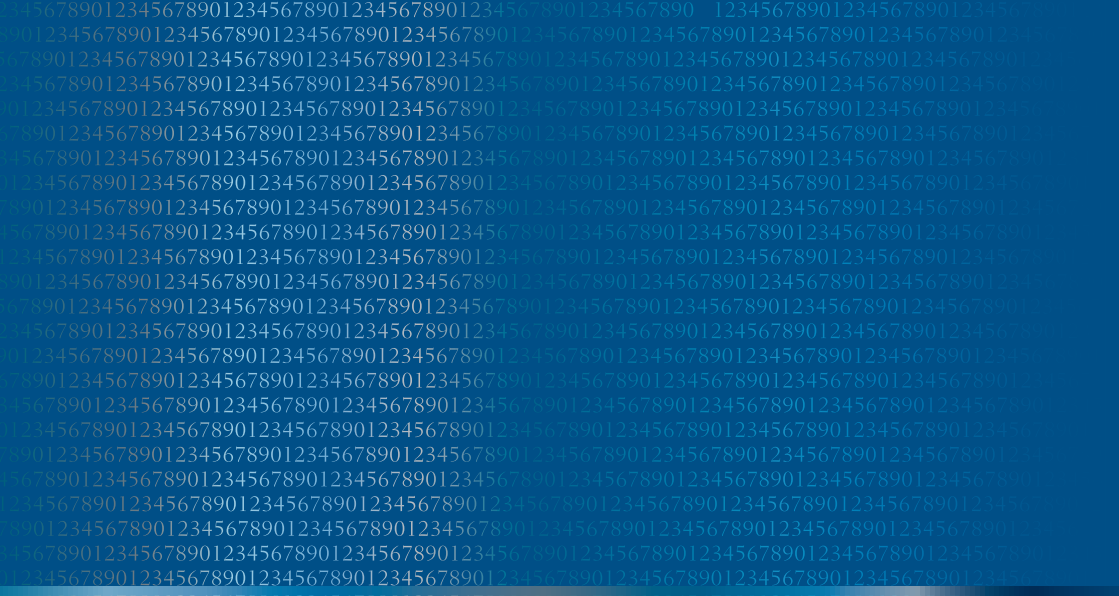
- Capital Gains Tax (CGT) of R16.7 billion was raised of which R7.5 billion was attributable to individuals and R9.2 billion to companies. This is an increase of R5.0 billion (42.9%) on the R11.7 billion raised in 2014/15. In aggregate, R90.1 billion has been raised since the introduction of CGT in October 2001;
- Collections of Transfer Duty amounted to R7.4 billion, reflecting a growth of 11.0% (R0.7 billion) compared to previous year's growth of 21.4%.

Distribution of Transfer Duty collected by property value, 2015/16



HIGHLIGHTS

- Diesel refunds increased by R2.4 billion (34.5%) to R9.3 billion in 2015/16 from R6.9 billion in 2014/15. 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, R1.0 billion in 2014/15 and R1.1bn in 2015/16;
- Mineral and Petroleum Resources Royalty (MPRR) payments declined from the previous year by R1.7 billion (31.6%) to R3.7 billion due to the overall economic climate in the mining industry globally in the last two years, depressed markets, oversupply in the market, falling commodity prices, high mining costs, and Rand/Dollar fluctuations;
- Total contributions to the SACU pool amounted to R84.3 billion, up by 11.0% on the contributions in the previous year.



Tax Statistics – Highlights

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