2021 Tax Statistics

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

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SARS
South African Revenue Service

The 2021 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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To obtain copies please contact:

ECONOMIC TAX ANALYSIS CHIEF DIRECTORATE
National Treasury
Private Bag X115
Pretoria
0001
South Africa
Tel: +27 12 315 5111
Fax: +27 12 406 9055
Email: media@treasury.gov.za
http://www.treasury.gov.za/publications/tax%20statistics/default.aspx

NATIONAL REVENUE MANAGEMENT DIVISION
South African Revenue Service
Private Bag X923
Pretoria
0001
South Africa
Tel: +27 12 422 4000
Email: TaxStatistics@sars.gov.za
https://www.sars.gov.za/about/sas-tax-and-customs-system/tax-statistics/

FOREWORD

The South African Revenue Service (SARS) was formally established on 01 October 1997, with the commencement of the South African Revenue Service Act No. 34 of 1997. Tax revenues continue to fund the most significant portion of government expenditure, ensuring all the money due to the fiscus is collected, as highlighted in this 14th edition of the Tax Statistics publication.

The COVID-19 pandemic may be classified as a once in a lifetime event, due to its most severe impact on the cost of lives and the disruption to economic activity worldwide. Government budgets globally were affected by contractions in tax revenues and increases on spending programmes to save lives and transfer income to those adversely affected by the pandemic.

Given the magnitude of the pandemic shock on economic activity, tax revenue over the four quarters ending 31 March 2021 contracted by R105.9 billion or -7.8%, compared to the pre-pandemic level the previous year. The severity of the contractions in tax revenue was noticeable across all tax types, but more severe for domestic taxes and taxes on international trade linked to economic activities, that were most impacted on after the institution of the lockdown measures.

The 2020 Budget projections for tax revenue announced in February 2020 did not foresee the massive impact of the pandemic on tax revenue. On 27 March 2020, South Africa implemented lockdown regulations to curb the spread of the COVID-19 virus. The initial hard lockdown measures constrained economic activity and impacted directly on the livelihoods of many South Africans. Government stepped in to address the direct social needs of citizens and the impact of the lockdown measures on the cash flow of taxpayers. Several tax relief measures were implemented that were announced in a Supplementary Budget tabled in June 2020.

Contractions in economic activities and hence tax revenue, were estimated and revised in the mid-year Medium Term Budget Policy Statement (MTBPS) in October 2020. The gradual relaxation of the lockdown regulations, as the infection and mortality rates of the pandemic subsided, resulted in a strong rebound in economic activity, underpinned by the rise in the global demand for commodities and the subsequent increase in global commodity prices. The increased value added in the economy resulted in a better-than-expected outcome for tax revenue for the fiscal year. A surplus of R128.6 billion or 11.5% against the 2020 Supplementary Budget estimate, and R137.3 billion (12.3%) against the MTBPS estimate, as well as R37.7 billion (3.1%) against the Revised Estimate in February 2021, attained to the resilience in the recovery of the economy. The surplus in tax revenue collections was further supported by the continuous efforts by SARS to improve tax revenue administration through targeted strategic enforcement interventions to achieve higher taxpayer compliance ratios. These administrative efficiencies were achieved through implementation of SARS Vision 2024 to build a smart and modern SARS with unquestionable integrity, trusted and admired. A tax-to-GDP ratio of 22.5% was achieved, albeit less than prior years, but the estimated buoyancy ratio or performance of tax revenue relative to the performance of the economy of 3.7 evidences the responsiveness of the tax system of South Africa to short-term fluctuations in economic activities.

Tax proposals announced in the 2020 Budget aimed to support economic growth and included above inflation increases in personal income tax brackets, funded by the introduction of a carbon tax and an increase in the plastic bag levy. Inflation-linked increases were proposed for the general fuel levy and alcohol and tobacco excise duties. The 2020 Supplementary Budget announced tax policy proposals to increase tax revenues over the medium term by R40 billion. However, given the higher-than-expected outcome of tax revenue collections since November 2020, government decided to not introduce tax increases for the 2021/22 fiscal year.

The use of tax and customs administration data for improved policy formulation is crucial. There is no doubt that the effective use of tax data can increase compliance levels, enhance revenue collection, and assist in the identification of new revenue opportunities. Furthermore, effective use of tax data provides opportunities to reach the untapped tax base, and to increase the ease of doing business/transactions with SARS. The recognition of the potential use of data generated through tax and trade administrative activities has led to increased interest by international bodies such as the African Tax Administration Forum (ATAF), the International Centre for Tax and Development (ICTD), the International Monetary Fund (IMF), the Organisation for Economic Cooperation and Development (OECD) and the United Nations University's World Institute for Development Economics Research (UNU-WIDER). SARS participates in the African Tax Outlook (ATO) and the Revenue Statistics in Africa publications.

This publication also illustrates that the role of SARS is not limited to the domestic economy, but also extends to neighbouring countries through the Southern African Customs Union (SACU), which includes Botswana, Eswatini, Lesotho, Namibia (BELN) and South Africa. A SACU Agreement has been established within which goods that are grown, produced or manufactured therein, on importation from one of the member states to another, are free of customs duties and quantitative restrictions.

SARS and National Treasury are committed to continuous improvement of the Tax Statistics publication, and encourage feedback and engagements.

Edward Kieswetter
Commissioner:
South African Revenue Service

Dondo Mogajane
Director-General:
National Treasury

ABOUT THIS PUBLICATION

The 2021 edition of the Tax Statistics publication provides an overview of tax revenue collections and tax return information for the 2017 to 2020 tax years as well as the 2016/17 to 2020/21 fiscal years.

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. It contains more detailed and varied tax revenue data that complements publications such as the National Treasury's Budget Reviews and SARS' Annual Reports. The aim is to improve and expand on the data made available in the previous Tax Statistics and to that end the 2021 edition includes the following new additions:

- The Carbon Tax (CBT), which was introduced as a new tax to combat climate change and is aimed at reducing greenhouse gas (GHG) emissions; and
- Tariff-level revenue data in Chapter 5.

The publication continues to look at the impact of policy changes with regard to the retirement funding reforms which became effective on 1 March 2016. Specifically considered is how the legislative change in which section 11F replaced section 11(k) of the Income Tax Act No. 58 of 1962 affected the PIT taxable income base.

The publication follows the same format as previous years and is set out as follows:

- *Chapter 1: Revenue Collections* provides a summary of aggregate tax revenue collection trends from 2016/17 to 2020/21.

- *Chapter 2: Personal Income Tax (PIT)* gives an overview of assessed personal income tax revenues of registered individual taxpayers. It also provides information about taxable income by income group, age, gender, municipality of residence and source of income, as well as fringe benefits, allowances and deductions.
- *Chapter 3: Company Income Tax (CIT)* gives an overview of company income tax revenues. Information about taxable income by income group, sector and type of business entity as declared in the tax returns is also provided.
- *Chapter 4: Value-Added Tax (VAT)* provides a breakdown of VAT liabilities, receipts and refunds, by sector and payment category, as well as an overview of data on input and output VAT as derived from VAT returns submitted by vendors.
- *Chapter 5: Import VAT and Customs duties* provides information about the customs value of imported goods by product type, according to the Harmonised System (HS) at chapter level, as well as Import VAT, Customs duty and Ad valorem excise duty revenues on imported goods.
- *Chapter 6: Other Taxes and Collections* provides information about taxes such as Capital Gains Tax (CGT), Transfer Duty, Diesel refunds, Mineral and Petroleum Resources Royalty (MPRR), as well as Southern African Customs Union (SACU) payments.
- The *Glossary and Index* contain definitions of terms and abbreviations as well as a list of all tables and figures in the publication.

Readers of the publication are also encouraged to use the explanatory content or guides that are published by SARS, in terms of the Tax Administration Act No. 28 of 2011. These publications are aimed at providing practical guidance on the interpretation of the law.

METHODOLOGY

- All statistics are based on the income, expenses, deductions and items as reported by taxpayers and traders in tax returns and assessment documents.
- Data has been evaluated for reasonability and any identified outliers have been excluded from these statistics.
- Nominal figures are used throughout the publication.
- Disaggregated income tax data is based on assessed PIT and CIT returns as extracted from SARS' systems at the end of September 2021. Given the time delay in the submission of tax returns by some taxpayers, and the time taken to assess such returns, statistics for later years tend to be less complete than those of earlier years.
- Given the time-lag between the close of a tax year and the filing of returns for that tax year, an estimate is applied to determine the proportion of expected tax returns to be filed for a specific tax year. More detail about how this estimate is determined is provided in Chapters 2 and 3 that address PIT and CIT, respectively.
- Declarations data for Import VAT and Customs Duties in this document, mainly discussed in Chapter 5, was extracted as at end of September 2021.
- Information about the sector (industry) in which taxpayers operate is drawn from taxpayer returns and is determined according to their main source of income. Trade classification data is based on the classification as declared by traders and is based on the Harmonised System.
- Figures have been rounded, therefore discrepancies may occur between the numbers of the component items and the totals in the tables.

- A hyphen ("-") in the tables represents zero while a zero symbol ("0") indicates the rounding of a numerical value that is greater than 0 and less than 0.5.
- The tax year for individuals starts on 1 March and finishes at the end of February the following year. The tax year for companies coincides with the financial year of the company for financial reporting purposes.
- A distinction is made between a tax year and a fiscal year. The former is shown as a single year (e.g. 2017) while the latter is displayed with a forward slash (e.g. 2020/21).
- Tables numbered with an "A" (e.g. *Table A1.1.1*) are included at the end of the relevant chapter.

A full electronic version of this publication (including the Excel tables) is available for download on the websites of the South African Revenue Service (SARS) https://www.sars.gov.za/about/sas-tax-and-customs-system/tax-statistics/ and that of National Treasury http://www.treasury.gov.za/publications/tax%20statistics/default.aspx

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

- **Statutory or marginal tax rates**:
  - A statutory or marginal tax rate is the legally imposed rate.
  - Progressive marginal tax rates are applied on incremental increases in income such as personal income tax.
  - Flat marginal tax rates are applied for instance to income such as corporate income or on sales such as value-added tax.
  - Poll tax is levied at a fixed amount per person.
  - The marginal tax rate on income can be expressed mathematically as follows:

    $$\frac{\Delta t}{\Delta i}$$

    where t is the total tax liability and i is total income, and Δ refers to a numerical change.

- **Average tax rates**
  - An average tax rate is the ratio of the total amount of taxes paid to the total tax base (taxable income or spending), expressed as a percentage.
  - Proportional tax is applied when the tax rate is fixed and equal to the average tax rate.
  - The average tax rate on income can be expressed mathematically as follows:

    $$= \frac{t}{i}.$$

    where t is the total tax liability and i is total taxable income

- **Effective tax rates**
  - The effective tax rate is the percent of income that an individual (gross income) or a corporation (gross and or net income) pay in taxes.

For the 2020/21 fiscal year

Revenue collected during 2020/21 fiscal year

R1 249.7 BILLION

7.8%

Lower by **R106.1 billion** against 2019/20

2.2%

Compound annual growth rate (CAGR) achieved for 2016/17 to 2020/21

Composition of main sources of tax revenue

	PIT	VAT	CIT	OTHER
2016/17	37.2%	25.3%	18.1%	19.4%
2020/21	39.1%	26.5%	16.4%	18.1%

Figures have been rounded, therefore discrepancies may occur between the numbers of the component items and the totals in the tables.

Payment Channels

The value of payments at banks reduced with 0.8 points over the past 5 years:

23.8% 2016/17 to 23.0% 2020/21

Branch Offices 0.2%

eFiling 76.8%

Banks 23.0%

COST OF REVENUE COLLECTION

0.93% 2016/17

0.85% 2020/21

R84.0 BILLION

TOTAL TAX RELIEF

provided to taxpayers between 2016/17 and 2020/21

CHAPTER 1: REVENUE COLLECTION

This chapter provides a summary of aggregate revenue collection trends for the period 2016/17 to 2020/21.

In the 2020/21 fiscal year:

- Tax revenue collected amounted to R1 249.7 billion, an annual decline of R106.1 billion (7.8%);
- Personal Income Tax (PIT) remains the largest contributor to tax revenue with contribution share of 39.1%;
- The number of individuals registered for Income tax increased to 23.9 million in 2020/21 from 22.9 million in 2019/20. This represents a year-on-year growth of 4.1%; and
- The cost ratio of revenue collection increased from 0.80% in 2019/20 to 0.85% in 2020/21.

The South African Revenue Service Act No. 34 of 1997 mandates SARS to efficiently and effectively collect all revenue due, ensure optimal compliance with tax and customs legislation, and provide a customs and excise service that will facilitate legitimate trade as well as protection of the economy and society.

The growth of the tax register is influenced by socio-economic conditions, tax policy amendments and effective administration. SARS has increased registration compliance by continuing to provide bulk registration at places of employment and providing an online facility that enables employers to register staff when submitting their monthly Pay-As-You-Earn (PAYE) returns. Accurate taxpayer registers enables SARS to effectively manage the taxpayer base and effectively shape its compliance landscape.

Tax register, 31 March 2017 – 31 March 2021

Number as at	Individuals [1, 2]	Companies (CIT) [1, 3]	Trusts [1]	Employers [1] (PAYE)	VAT Vendors [1]	Importers	Exporters
31 Mar 2017	19 980 110	3 732 416	345 048	489 445	742 388	301 746	272 951
31 Mar 2018 [4]	21 104 375	3 202 007	351 564	520 918	773 783	312 241	282 243
31 Mar 2019	22 170 513	2 020 759	357 859	552 611	802 957	319 949	288 604
31 Mar 2020	22 919 701	2 548 975	363 860	582 289	831 821	329 820	297 448
31 Mar 2021	23 850 668	3 112 509	367 540	618 478	880 553	333 204	299 941
Percentage year-on-year growth							
31 Mar 2018	5.6%	-14.2%	1.9%	6.4%	4.2%	3.5%	3.4%
31 Mar 2019	5.1%	-36.9%	1.8%	6.1%	3.8%	2.5%	2.3%
31 Mar 2020	3.4%	26.1%	1.7%	5.4%	3.6%	3.1%	3.1%
31 Mar 2021	4.1%	22.1%	1.0%	6.2%	5.9%	1.0%	0.8%

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.

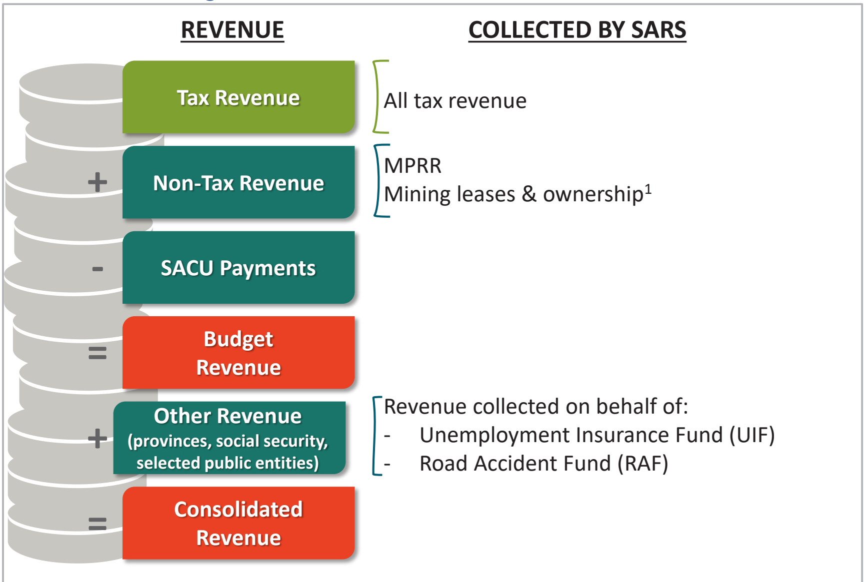
3. The tax year for companies is normally the financial year of the company for financial reporting purposes.

4. Different from Annual Report due to timing difference

National budget revenue includes all revenue streams into the fiscus, both tax revenue and non-tax revenue, less payments made to Botswana, Eswatini, Lesotho and Namibia (BELN) in terms of the Southern African Customs Union (SACU) agreement. SACU disbursements are determined according to a revenue sharing formula described in Chapter 6.

Consolidated revenue also includes revenue collected by the provinces and selected public entities as well as social security contributions. 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).

Illustration of budget revenue and consolidated revenue



1. SARS still accounts for residual amounts for Mining leases and ownership

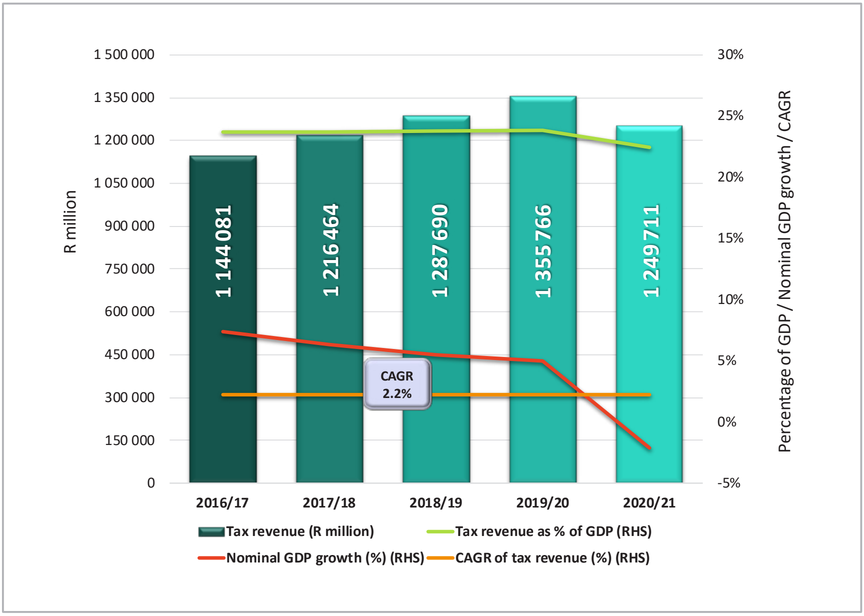
Total budget revenue and consolidated revenue, 2016/17 – 2020/21

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
2016/17	1,144,081	100.5%	89.0%	33,264	**1,177,345**	-39,448	**1,137,896**	147,700	**1,285,690**
2017/18	1,216,464	101.7%	90.1%	35,849	**1,252,313**	-55,951	**1,196,362**	153,931	**1,350,293**
2018/19	1,287,690	101.0%	88.9%	35,869	**1,323,559**	-48,289	**1,275,270**	172,560	**1,447,830**
2019/20	1,355,766	100.7%	88.6%	40,384	**1,396,150**	-50,280	**1,345,870**	184,615	**1,530,485**
2020/21	1,249,711	101.5%	89.7%	45,169	**1,294,880**	-63,395	**1,231,485**	161,883	**1,393,368**

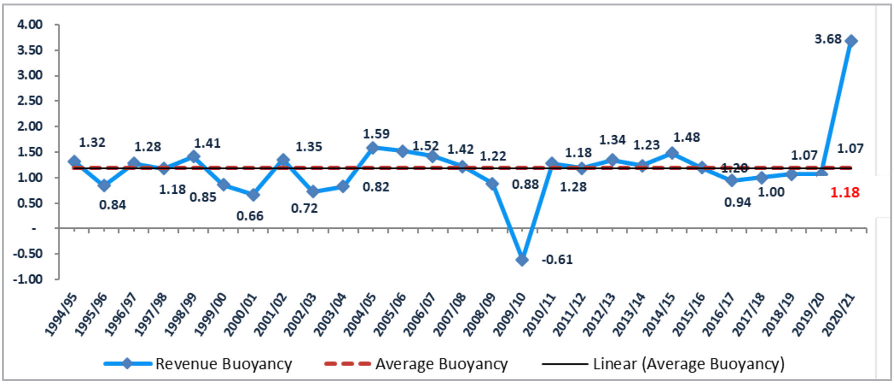
1. Includes interest, dividends, rent on land, sales of goods and services, fines and penalties, sales of capital assets, financial transactions in assets and liabilities, MPRR as well as extraordinary receipts.
2. Includes provinces, social security and selected public entities.

The tax-to-GDP ratio moderated from 23.8% in 2019/20 to 22.5% in 2020/21. This was due to the COVID-19 pandemic induced annual reduction in tax revenues mainly by PIT, VAT and domestic specific excise duties.

Tax revenue collections, GDP and CAGR, 2016/17 - 2020/21



Revenue Buoyancy, 1994/95 - 2020/21



An important indicator of tax revenue performance is the tax buoyancy ratio. This indicator measures the sensitivity of tax revenues to changes in economic growth. Buoyancy ratios of tax revenue reflect both the effect of automatic stabilisers and of discretionary fiscal policy changes. A buoyancy ratio greater than unity (1.0) over the long-term supports the sustainability of fiscal policy. Short-term buoyancy ratios fluctuate more and are the sustainability of fiscal policy. Short-term buoyancy ratios fluctuate more and are the outcomes of the stage of the business cycle, tax policy changes and efficiency of tax administration.

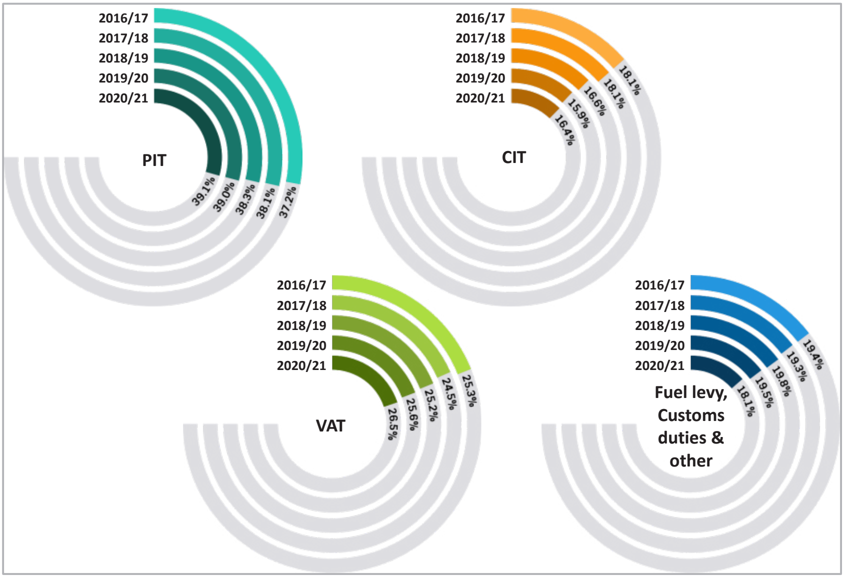
South African tax revenue collections have remained buoyant after the 2008/09 financial crisis, despite tough economic conditions. However, in 2016/17 growth in total tax revenue collections did not keep up with economic growth, resulting in a buoyancy ratio of 0.9. In 2017/18 tax revenue growth was on par with GDP growth resulting in buoyancy ratio of 1.0.

Revenue collections in 2020/21 were severely impacted by the COVID-19 pandemic lockdown restrictions and an already struggling economy. This saw tax revenues contract at a faster pace than GDP resulting in the high buoyancy ratio recorded of 3.7 in 2020/21. The main drivers of the high buoyancy ratio were PIT collections which were negatively affected by job losses and decreased wages and CIT collections whereby companies operations were halted by the lockdown measures.

PIT, CIT and VAT account for 81.9% of the total tax revenue. The fuel levy, together with specific excise and Customs Duties, accounts for 12.4% whilst other taxes make up the remainder of 5.7%.

Over the last five years the contribution by PIT to the total tax revenue has shown a steady increase whilst the contribution of CIT to the total tax revenue has declined *(Figure 1.4 and Table A1.2.1).* The contribution by VAT has increased from 25.3% in 2016/17 to 25.6% in 2019/20 and has increased further to 26.5% in the year under review.

Relative composition of main sources of tax revenue, 2016/17 - 2020/21



Health Promotion Levy on Sugary Beverages was implemented on 1 April 2018. The Health Promotion Levy on sugary beverages is a new levy in support of the Department of Health's deliverables to decrease diabetes, obesity and other related diseases in South Africa as shown in Table 1.8.

Health Promotion levy, 2018/19 -2020/21

R million	Health promotion levy[1]	Health promotion levy on imports	Total Health promotion levy
2018/19	3195	53	**3,248**
2019/20	2446	67	**2,513**
2020/21	2046	67	**2,114**
Percentage of total			
2018/19	98.4%	1.6%	**100.0%**
2019/20	97.3%	2.7%	**100.0%**
2020/21	96.8%	3.2%	**100.0%**
Percentage change year-on-year			
2019/20	-23.4%	25.5%	-22.6%
2020/21	-16.4%	1.2%	-15.9%

1. *Levy on locally manufactured products*

The Levy on sugary beverages applies to beverages with more than 4 grams of sugar content per 100ml. The Health Promotion Levy on sugary beverages is payable by manufacturers thereof in the Republic of South Africa (RSA), is a domestic consumption tax, and is therefore not payable on sugary beverages that are exported or processed in the manufacture of other dutiable goods. It is payable on sugary beverages manufactured in, or imported into South Africa, specifically:

- Identified imported products are taxed when they are cleared for home consumption.
- Locally manufactured products are taxed at source.

The cost of tax revenue collection is an important indicator of the efficiency of revenue administrations, and may be used for comparative analysis when benchmarking against administrations in other countries. This ratio is calculated by dividing the cost of the internal operations of a revenue authority by total tax revenue collected over a specified period.

This ratio does not include the non-tax revenue and social security contributions collected by SARS such as MPRR, UIF contributions and RAF levies. If these amounts are to be included in the cost of revenue collection, the cost-to-revenue ratio will be less.

SARS' cost-to-tax-revenue ratio is below the international benchmark of 1.0% for developing economies. During the past five years, the ratio has ranged between 0.93% in 2016/17 and 0.80% in 2018/19, and increased slightly to 0.85% in 2020/21. This consistent performance shows that SARS has contained costs, while increasing the amount of revenue it has collected. The containment of costs has also been informed by grant reductions in pursuit of cost containment and fiscal prudence.

Cost of revenue collection, 2016/17 - 2020/21

R million	Tax revenue collected	Operating costs[1]	Cost of collection[2]
2016/17	1 144 081	10 696	*0.93%*
2017/18	1 216 464	10 795	*0.89%*
2018/19	1 287 690	10 792	*0.84%*
2019/20	1 355 766	10 841	*0.80%*
2020/21	1 249 711	10 666	*0.85%*

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

SARS has continued to enhance digital platforms to empower taxpayers to easily comply with their tax obligations. These enhancements and developments within the payment channels have resulted in a reduction in the need of taxpayers to visit branch offices

Current payment methods other than branch payments are:

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

The eFiling payments channel constitutes the majority of payments received by SARS and accounted for 76.8% of the total value of all taxpayer payments in 2020/21. The composition of the main channels of payments is shown below.

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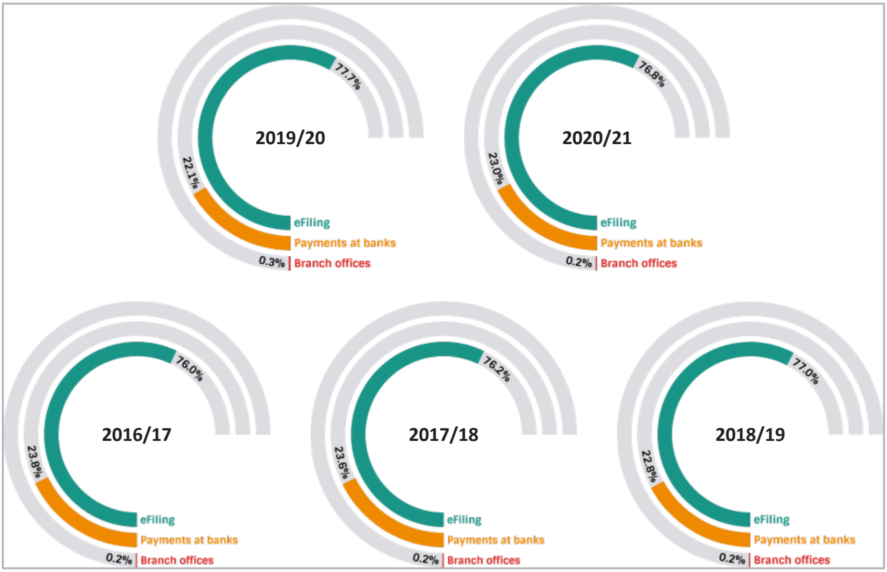
Composition of main channels of payment (by value), 2016/17 - 2020/21



For the 2020 tax year

Registered individuals 22.9 million

Expected to submit returns
5.4 million
Assessed taxpayers
5.2 million

96.2%
Assessed

Females assessed
46.4%

Males assessed
53.6%

Aggregated taxable income of assessed individual taxpayers — **R1.8 trillion**

Tax liability of assessed individual taxpayers — **R407.2 billion**

68.7%
PAYE payments received from the financial intermediation, insurance sector

Of those assessed...

...owed SARS some tax. **16.1%**

67.3% ...received refunds.

16.2% ...had a zero assessment.
Unknown result was 0.4%.

37.2%
...were registered in Gauteng

26.2%
...were in the **35 – 44** age bracket

Allowances and deductions

Travel was the largest allowance at **R29.2bn** (23.1% of total allowances assessed).

Contributions to pension, provident and retirement annuity funds was the largest deduction at **R204.1bn** (85.5% of all deductions granted).

Pension, provident and retirement annuities paid on behalf of employees was the largest fringe benefit at **R116.2bn** (59.2% of the total fringe benefits assessed).

Cohort across 10 consecutive years

5 532 652 Taxpayers assessed (2010)

4 960 909 Taxpayers assessed (2019)

2 838 100
Taxpayers assessed for all tax years 2010 - 2019

Municipalities

Statistics available on assessed tax for individual taxpayers in 213 municipalities, reduced from 234 reported in the 2016 publication as a result of merging municipalities during the past year.

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.

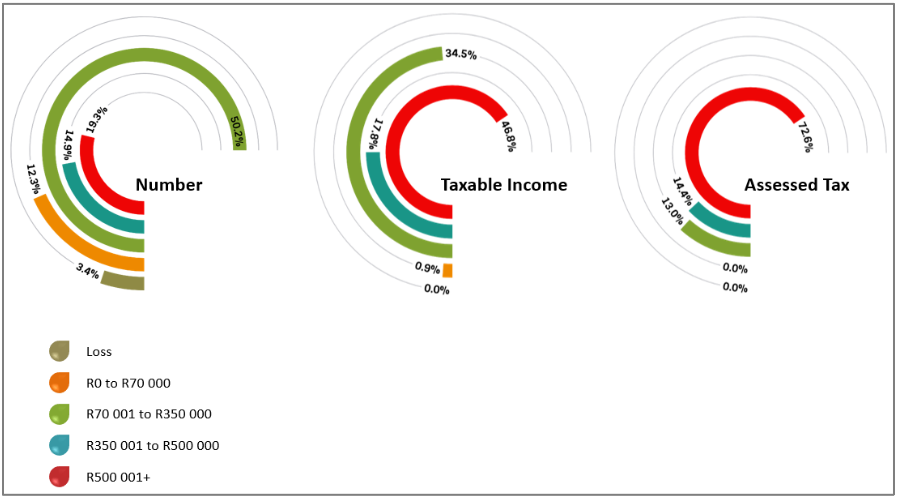
The Budget presented in February 2019 included:

- Increases of 5.3%, 5.2% and 5.5% in the primary, secondary and tertiary rebates to R14 220, R7 794 and R2 601 respectively. This increased the minimum tax thresholds for taxpayers below the age of 65 years to R79 000, for those 65 to 74 years to R122 300 and 75 years and older to R136 750.

SARS received more than 19.0 million employees' tax certificates (IRP5s and IT3(a)s) that could be linked to nearly 13.6 million individuals.

To track changes in the taxable income and tax liability of taxpayers over a 10-year tax period, an analysis was conducted of the taxable income and assessed tax of all taxpayers who have been assessed every year since 2010. There were 5 532 652 taxpayers assessed in 2010. Of these, 2 838 100 taxpayers (51.3%) had been assessed for each of the subsequent nine years (2011 to 2019).

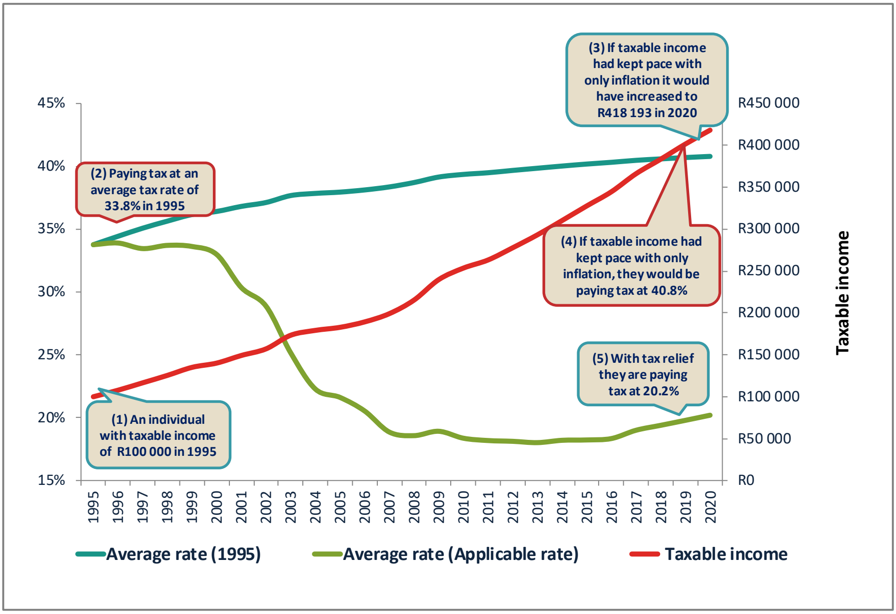
Distribution of assessed individual taxpayers in taxable income group, 2020



The tax burden aggregated across all taxpayers, as indicated by the tax assessed as a percentage of taxable income, increased for the period under review from 20.6% in the 2017 tax year to 21.3% in the 2018 tax year and to 22.4% for the 2020 tax year. The average increase from the 2018 tax year is mainly the result of the increase from 41% to 45% in the top marginal income tax rate. 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.

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 R240.5 billion allowed as deductions in 2020 was granted to taxpayers in the R500 000 plus income bracket. Of their income, 12.3% was granted as a deduction.

Assessed taxpayers by income group, deductions granted & taxable income, 2020

Tax year	2020			
Income group	Number of taxpayers	Income before deductions (R million)	Deductions allowed (R million)	Taxable income (R million)
<= 0	177 979	-25 474	18	-25 492
1 – 70 000	613 099	18 490	619	17 871
70 001 – 350 000	2 317 418	467 054	41 460	425 595
350 001 – 500 000	816 061	341 941	43 890	298 051
500 000 +	1 289 239	1 252 504	154 473	1 098 031
Total	**5 213 796**	**2 054 516**	**240 460**	**1 814 056**
Income group	**Average income per assessed taxpayer (R)**	**Average deduction allowed (R)**	**Average taxable income per assessed taxpayer (R)**	**Percentage of income granted as a deduction**
<= 0	-143 132	99	-143 231	0.1%
1 – 70 000	30 158	1 010	29 149	3.3%
70 001 – 350 000	201 541	17 890	183 650	8.9%
350 001 – 500 000	419 014	53 783	365 232	12.8%
500 000 +	971 507	119 818	851 689	12.3%
Total	**394 054**	**46 120**	**347 934**	**11.7%**

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.

During the 2020 Filing Season changes were implemented to simplify the filing of income tax returns, thus making it easier for taxpayers to comply. SARS automatically assessed a significant number of taxpayers based on data received from third parties; the compulsory submission threshold didn’t apply to these taxpayers.

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.

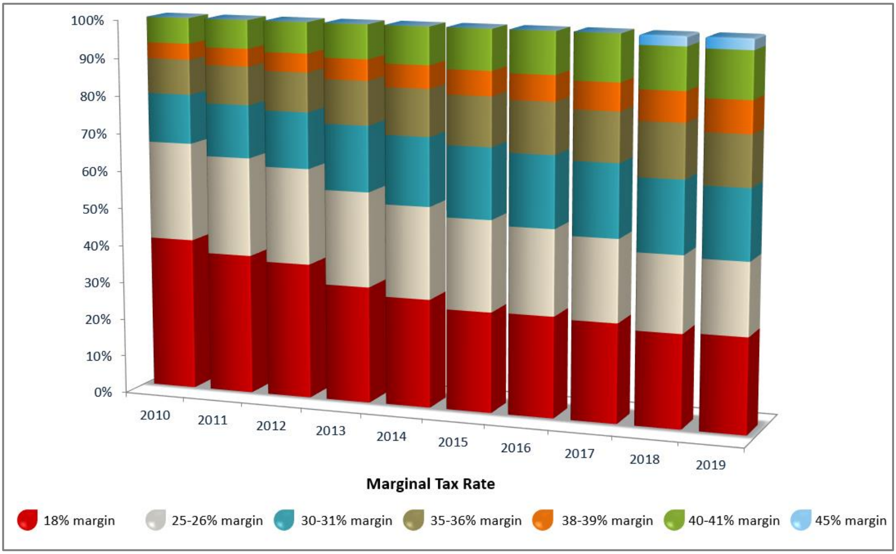
Number of individual taxpayers, 2017 – 2020

Tax year	Number of taxpayers assessed	Taxable income (R million)	Average taxable income (R)	Tax assessed (R million)	Average tax assessed (R)	Tax assessed as % of taxable income
2017	5 973 711	1 760 089	294 639	362 400	60 666	20.6%
2018	5 736 745	1 827 418	318 546	389 899	67 965	21.3%
2019	4 960 909	1 732 797	349 290	386 722	77 954	22.3%
2020	5 213 796	1 814 056	347 934	407 238	78 108	22.4%

To track the fluctuations in taxable income of taxpayers over a 10 year tax period, all taxpayers who were assessed every year since 2010, were isolated and their taxable income and assessed tax analysed.

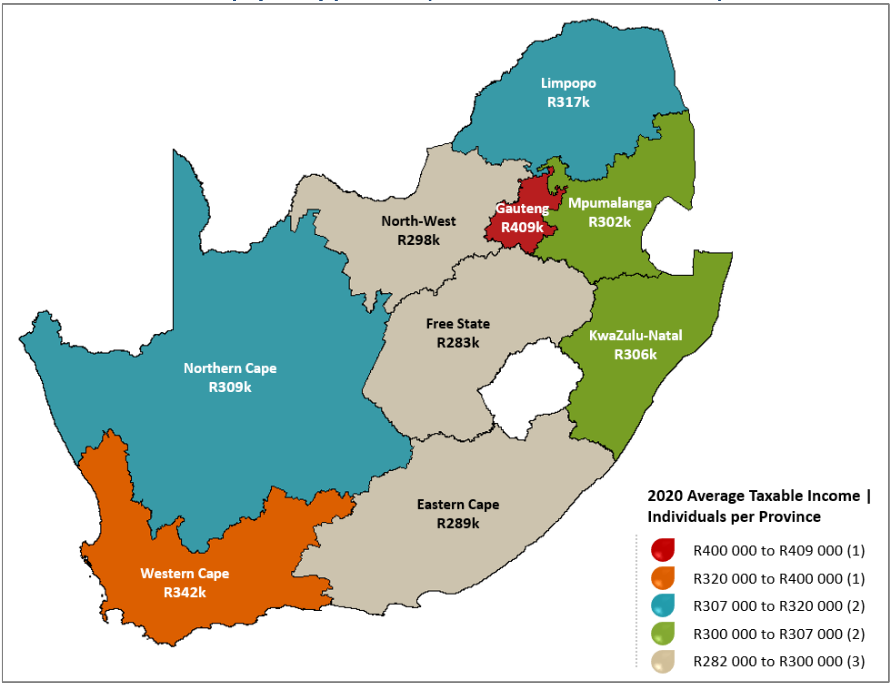
The graph below shows how taxpayers shifted across the tax brackets due to increases in taxable income.

Proportion of the 2.9 million 10 year taxpayers by marginal tax rates, 2010 - 2019



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 R408 537 while the Free State indicates the lowest average taxable income at R282 932.

Assessed individual taxpayers by province (based on residential address), 2020



For the 2020/21 fiscal year

CIT
third largest contributor to tax revenue

15.9%
2019/20

16.4%
2020/21

1st Provisional period	2nd Provisional period	3rd Provisional period
41.9%	55.8%	2.3%

Total CIT Provisional Tax Collected in 2018

Nearly 2.5 million companies on register as at March 2020

2019 tax year

812 306
Were assessed
(majority of remainder inactive or dormant)

158 818
assessed as Small Business Corporations (using graduated tax rates as opposed to a fixed rate)

Contributions by financial year-end in tax year 2019

December	June	February
32.3%	21.9%	24.1%

27.7%
Reported **NEGATIVE** taxable income

48.3%
Reported **ZERO** taxable income

24.0%
Reported **POSITIVE** taxable income

Taxable income for assessed companies

Sector contributions of companies with assessed losses

14.6%
Financing, insurance, real estate & business services sector

8.8%
Construction sector

6.0%
Agencies and other services

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).

Analysis of Company Income Tax (CIT) returns assessed for the 2019 tax year and CIT collections in the 2020/21 fiscal year show:

- At 16.4%, CIT remained the third largest contributor to total tax revenue collected in 2020/21. This is slightly above the 15.9% for the 2019/20 financial year-end, notwithstanding the negative impact of the COVID-19 pandemic, but still well below the peak of 26.7% achieved before the 2008/09 global financial crisis.
- CIT collections for the 2020/21 financial year-end were lower compared to 2019/20 by R10.6 billion (- 4.9%). The contraction was mainly driven by the poor performance experienced by the major contributing sectors (*Financial intermediation, insurance, real-estate & business services* and *Manufacturing)*.
- These sectors were impacted by several factors, the prevalent being the lockdown measures implemented to curb the spread of the COVID- 19 infections.
- However, the *Mining and quarrying* sector grew amidst the COVID-19 pandemic due to the robust global performance in commodity prices, particularly for the Platinum Group Metals (PGMs) and iron ore.
- The impact of the COVID-19 pandemic on CIT collections was not as dire as expected when compared to the 2008/09 global financial crisis where a contraction of R30.2 billion (18.1%) was reported versus the current decline of R10.6 billion (4.9%), which was experienced for 2020/21 in nominal terms.

- There were more than 2.5 million companies registered for CIT as at 31 March 2020, a growth of 528 216 (26.1%) compared to 31 March 2019. Of these, 832 996 companies were expected to submit income tax returns for the tax year 2019, and 97.5% filled and were assessed in 2019.
- Out of the 812 306 companies assessed as at 30 September 2021 for the tax year 2019, 24.0% declared a positive taxable income, whilst 48.3% had taxable income equal to zero and the remaining 27.7% reported an assessed loss.
- The concentrated nature of the South African economy is evident as only 381 large companies (0.2% of the companies with positive taxable income) had a taxable income of more than R200 million and were liable for 55.9% of the CIT assessed.
- The *Financial intermediation, insurance, real-estate and business services* sector accounted for 207 742 (25.6%) of the assessed companies and was liable for 41.1% of the CIT assessed, contributing the most amongst all the sectors.
- As at 30 September 2021, of the 812 306 companies assessed in respect of the 2019 tax year, 158 818 were assessed as Small Business Corporations (SBCs), taxed at the applicable graduated income tax rates, and the remainder taxed at either the fixed company tax rate of 28% or the graduated income tax rates for micro businesses that elect to pay only turnover tax.
- With the introduction of the rule that provisional tax payments of at least 80% of a company's tax liability for the applicable year of assessment are payable by the end of that year, CIT collections continue to improve, with the third provisional tax payments decreasing from 12.9% of total provisional tax collections in 2009/10 to 2.3% in 2018/19 and subsequently increased to 3.8% in 2020/21.
- During 2019/20, 51.6% of the tax paid related to the 2019 tax year and 47.4% related to the 2020 tax year.

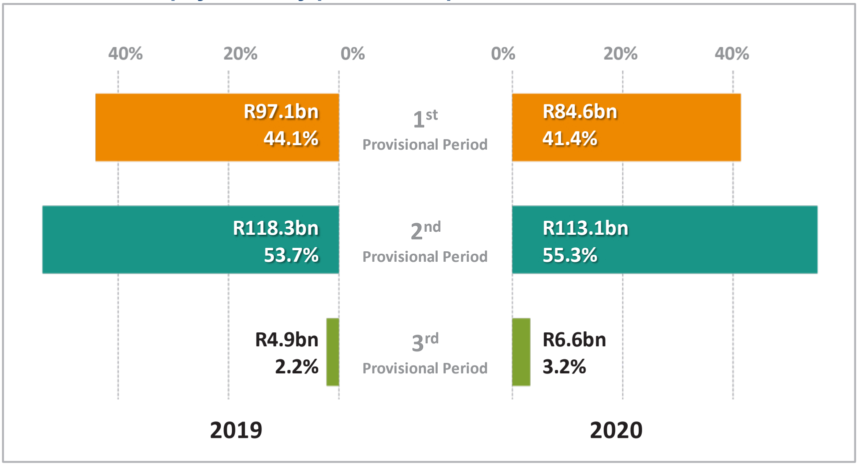
COVID-19 TAX RELIEF MEASURES

- CIT started 2020/21 on a positive sentiment, however, the dire impact of the COVID-19 pandemic on the economy necessitated a material downward revision to the estimated tax revenue to be collected.
- Several tax relief measures were then implemented to assist taxpayers and provide liquidity support for businesses, as well as reduce the negative impact on the economy, resulting in deferred tax payments arrangements.
- The COVID-19 provisional tax relief measures for CIT were promulgated and implemented. This applied to taxpayers with an expected gross turnover of less than R100 million per annum which were mainly SMME's companies. Companies with turnover in excess of a R100 million could apply individually to SARS for tax relief. This liquidity support measure was only applicable for the year of assessments ending on or after 1 April 2020 but before 1 April 2021.
- The COVID-19 pandemic led to a 7.0% contraction in GDP in 2020 thus resulting in a deficit of R10.6 billion (- 4.9%) in CIT collections for the 2020/21 financial year, less severe than the 18.1% contraction that was recorded during the global financial crisis.

Provisional tax payments by provisional period by tax year, 2017 - 2020

Period R million Tax year	1st Provisional period	Percentage change	2nd Provisional period	Percentage change	3rd Provisional period	Percentage change	Total
2017	85 860	4.5%	119 251	5.1%	6 033	1.8%	**211 145**
2018	91 319	6.4%	121 610	2.0%	4 904	-18.7%	**217 833**
2019	97 092	6.3%	118 343	-2.7%	4 908	0.1%	**220 342**
2020	84 624	-12.8%	113 093	-4.4%	6 630	35.1%	**204 347**
Percentage of total							
2017	40.7%		56.5%		2.9%		**100.0%**
2018	41.9%		55.8%		2.3%		**100.0%**
2019	44.1%		53.7%		2.2%		**100.0%**
2020	41.4%		55.3%		3.2%		**100.0%**

Provisional tax payments by provisional period 2019 and 2020



The value of provisional tax collections for previous tax years (2017 to 2018 tax years) were more than 95.0% of the value of the final liability as reflected in issued assessments. Provisional tax collections for a specific tax year are received by SARS well before assessments for a specific tax year are raised and these enable extrapolations of tax collections and results in analysis that is more reliable.

Tax assessed as a percentage of provisional tax payments received for a relevant tax year is, therefore, a good gauge of the completeness of the issued assessments.

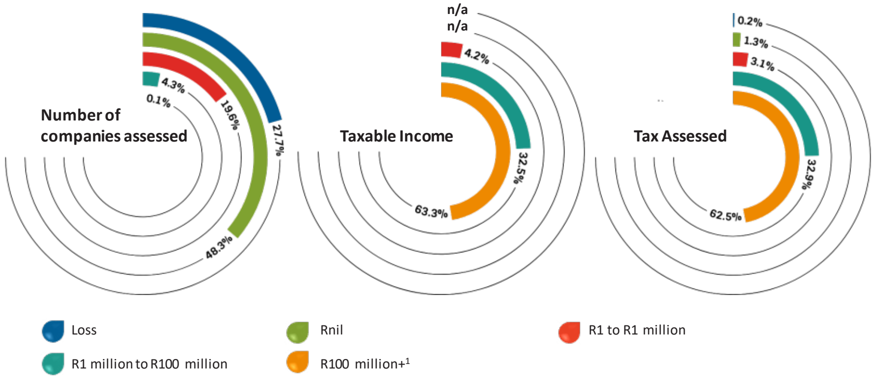
Provisional tax payments and tax assessed by tax year, 2017 - 2020

R million Tax year	Provisional tax payments	Tax assessed	Tax assessed as % of provisional tax payments
2017	211 145	211 626	100.2%
2018	217 833	206 952	95.0%
2019	220 342	205 801	93.4%
2020	204 347	125 284	61.3%

The number of returns expected for a particular tax year is determined by the number of companies that have been assessed for that tax year, plus the number of companies with an "active" status that were assessed in respect of either of the two tax years before the relevant tax year, but have not yet been assessed for the tax year in question.

The figure below shows the distribution of the number of companies assessed, their taxable income and the tax assessed for the 2019 tax year.

Assessed companies, taxable income and tax assessed by taxable income group, 2019

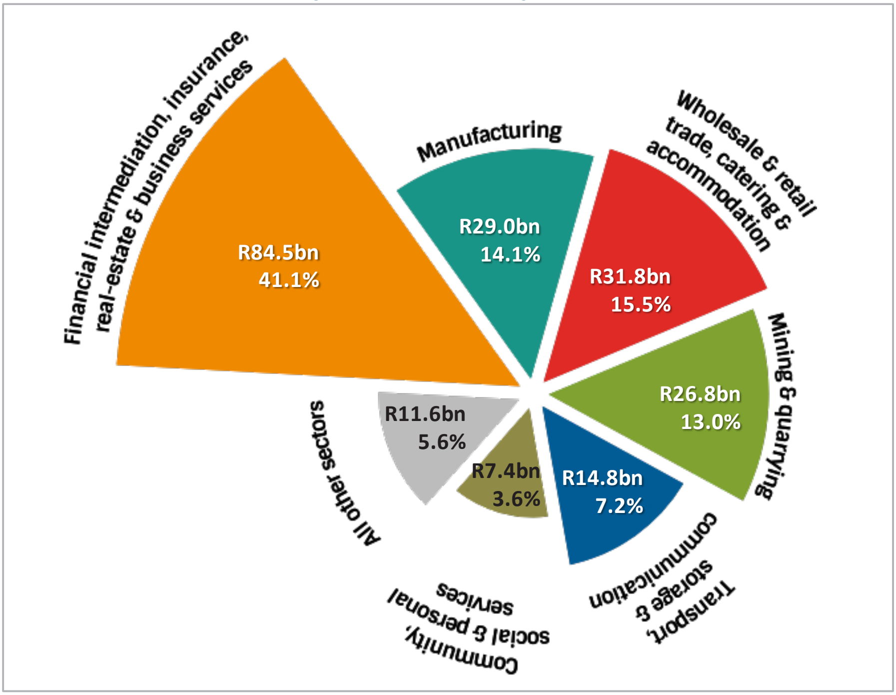


1. *Companies with taxable income greater than R 100 million constituted 0.1% of the number of companies, but contributed 63.0% of taxable income and 62.7% of assessed tax.*

Distribution by sector

As at 30 September 2021, the *Financial intermediation, insurance, real - estate & business services* sector had the highest number of taxpayers (25.6% of the assessed total) in respect of the 2019 tax year. This sector accounted for 41.1% of the tax assessed in respect of the same tax year. The sector with the lowest number of taxpayers (0.5% of the assessed total) in respect of the 2019 tax year was the *Electricity, gas and water* sector, which accounted for 1.1% of the tax assessed.

Companies' tax assessed by economic activity, 2019



Small Business Corporations (SBCs)

Companies are taxed as SBCs for a particular tax year if they meet specific criteria. These criteria include:

- Gross income of not more than R20 million;
- Limitations on shareholding in the company; and
- The taxpayer must indicate on 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 marginal tax rate of 28%. The table below shows the increase in the SBC taxable income brackets from 2017 to the 2020 tax years. The threshold of the first SBC bracket increased by 5.3% from R75 000 in respect of the tax year 2017 to R79 000 for the 2020 tax year.

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 certain other depreciable assets (at a rate of 50%, 30% and 20%).

Small Business Corporation tax rates, 2017 and 2020

Tax year Rand	2017			SBC rate for 2017	2020			SBC rate for 2020	Percentage increase in top bracket
Taxable income brackets	0	–	75 000	0%	0	–	79 000	0%	5.3%
	75 001	–	365 000	7%	79 001	–	365 000	7%	–
	365 001	–	550 000	21%	365 001	–	550 000	21%	–
	550 001	–	and over	28%	550 001	–	and over	28%	–

In any calendar year, SBCs could be taxed by applying two different tax year rates. In 2019 they could be taxed on either 2018/19 tax rates or 2019/20 tax rates. This would occur because:

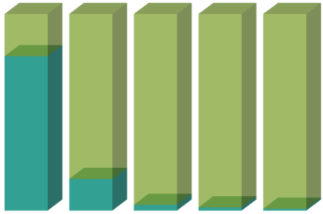
- 2018/19 tax rates (rates in effect from 1 April 2018 to 31 March 2019) are applicable to SBCs with years of assessment ending between 1 January 2019 and 31 March 2019; and
- 2019/20 tax rates (rates in effect from 1 April 2019 to 31 March 2020) are applicable to SBCs with years of assessment ending between 1 April 2019 and 31 December 2019.

Registered VAT vendors

50.9% active

880 553 registered VAT vendors

448 361 were active



- 79.3% | Companies & close corporations
- 15.3% | Individuals
- 2.9% | Trusts
- 1.5% | Partnerships
- 0.9% | Other

Figures have been rounded, therefore discrepancies may occur between the numbers of the component items and the totals.

83.3%

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

38.0%

Vendors with a turnover of R1 million or less

Account for **82.5%** of VAT payments

Account for **91.4%** of VAT refunds

14.6%

Vendors making payments and receiving refunds in the monthly category

Ratio of payments and refunds

R1 Domestic VAT = R2.79 Output tax declared – R1.79 Input tax claimed

R1 VAT Refund = R1.99 Input tax claimed – R0.99 Output tax declared

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 2020/21 fiscal year:

- Net VAT collections totalled R331.2 billion and contracted by 4.5% compared to the previous year. Domestic VAT, which amounted to R392.9 billion and contracted by 1.6%, was the key driver for the aggregate contraction;
- The net rate of contraction was worsened by the collection of R166.5 billion in Import VAT, as it shrunk by 7.5% compared to the prior year. VAT refunds totalled R228.2 billion and decreased by 1.9%; this countered the contraction on net collections;
- Overall, the contraction observed in 2020/21 was mainly due to the impact of the COVID-19 lockdown restrictions introduced by the National State of Disaster declared in March 2020 in an effort to curb the spread of the virus;
- The subdued household consumption expenditure curtailed the growth in Domestic VAT collections, which were below expectation. Consumption was constrained by low consumer confidence and high debt levels; sharp increases in fuel prices and other administered prices; rising food inflation as well as high unemployment coupled with low/no salary adjustments or salary cuts.

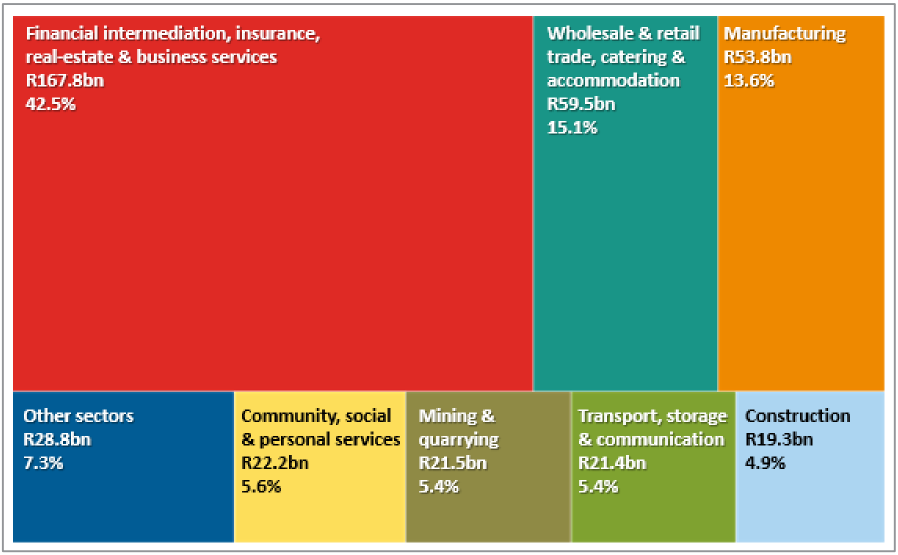
- The main sectors that contributed to the nominal Domestic VAT contraction were *Manufacturing*; *Community, social and personal services*; and *Construction*;
- VAT refunds decreased the most in the following sectors: *Financial intermediation, insurance, real estate and business serces*; *Construction*; as well as *Wholesale and retail trade, catering and accommodation*; and
- There were 880 553 registered vendors as at 31 March 2021, of which 448 361 (50.9%) 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.

Number of registered VAT vendors

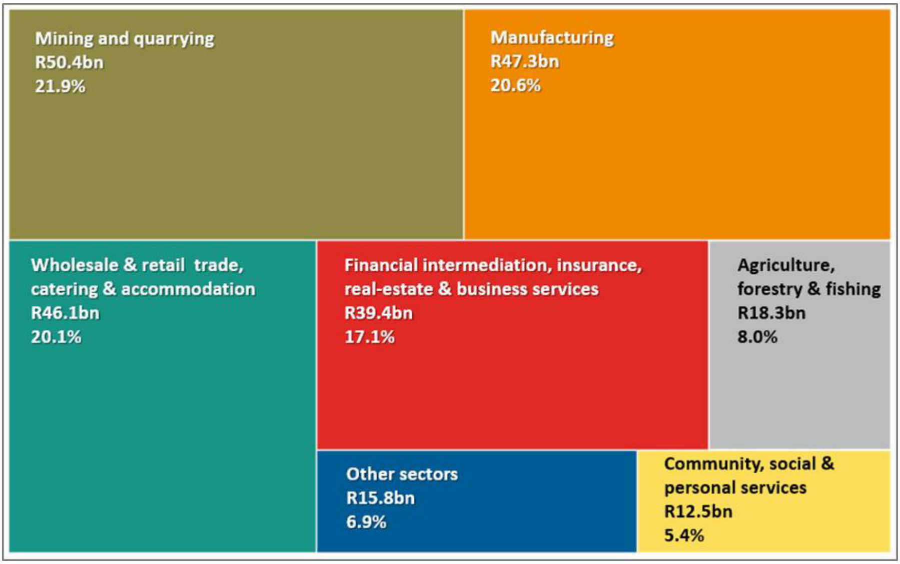
Fiscal year	Registered[1]	Percentage growth rates	Active vendors	Percentage growth rates	Active percentage of register
2017/18	773 783	4.2%	434 981	0.7%	56.2%
2018/19	802 957	3.8%	448 710	3.2%	55.9%
2019/20	831 821	3.6%	449 597	0.2%	54.0%
2020/21	880 553	5.9%	448 361	-0.3%	50.9%

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, 2020/21



VAT refunds by economic activity, 2020/21



From 2017/18 to 2020/21, the supply of standard-rated goods and services contributed about 96.0% on average to total output tax. Over the same period, the contribution of the supply of capital goods was below 3.0% and decreasing; this is in line with subdued business confidence levels that have led to low capital investments.

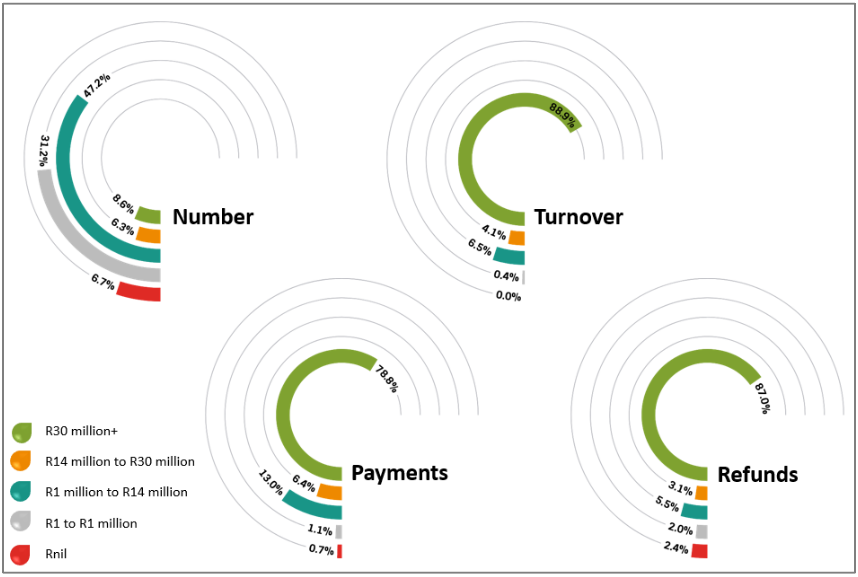
Output tax by class of supply, 2017/18 - 2020/21

Fiscal year	Standard rate (excl. capital goods and services and accommodation)	Standard rate (only capital goods and services)	Supply of accommodation	Adjustments[1]	Total output tax
			R million		
2017/18	1 320 499	36 697	3 026	11 646	**1 371 867**
2018/19	1 459 836	37 543	3 281	36 029	**1 536 689**
2019/20	1 552 243	37 997	3 490	25 362	**1 619 092**
2020/21	1 479 180	32 496	1 520	16 956	**1 530 151**
			Percentage of total		
2017/18	96.3%	2.7%	0.2%	0.8%	**100.0%**
2018/19	95.0%	2.4%	0.2%	2.3%	**100.0%**
2019/20	95.9%	2.3%	0.2%	1.6%	**100.0%**
2020/21	96.7%	2.1%	0.1%	1.1%	**100.0%**

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

In 2020/21, 38.0% of vendors had a turnover of R1 million or less i.e. below the mandatory VAT registration threshold. However, these vendors accounted for only 1.8% of Domestic VAT payments and 4.4% of VAT refunds. In contrast, 3.0% of VAT vendors who had an annual turnover greater than R100 million accounted for 66.6% of Domestic VAT payments and 79.6% of VAT refunds.

Distribution of VAT vendors by turnover group, 2020/21



Vendors per annualised turnover (payments and refunds), 2017/18 – 2020/21

	2017/18	2018/19	2019/20	2020/21
Number of vendors	434 981	448 710	449 597	448 361
Turnover (R million)	13 308 025	13 698 161	14 687 969	13 811 788
Payments (R million)	336 964	377 675	398 735	394 351
Refunds (R million)	-190 969	-229 957	-232 862	-229 774
Net VAT	**145 995**	**147 719**	**165 873**	**164 577**
Net VAT as % turnorver	1.1%	1.1%	1.1%	1.2%

IMPORT VAT AND CUSTOMS DUTIES

For the 2020/21 fiscal year

Number of registered importers 333 204

Import VAT		Customs Duties
13.3%	% of Revenue	3.8%
3.0%	% of GDP	0.8%
-7.5%	% Change Y/Y	-14.7%

Biggest contributors

Import VAT		Customs Duties	
27.4%	Machinery and Electronics	20.1%	Vehicles, Aircrafts & Vessels
15.1%	Chemical Products	19.0%	Textile and Clothing
8.8%	Vehicles, Aircrafts & Vessels	13.8%	Machinery and Electronics

2020/21 | Main contributors by World Zone to Total Import Tax

Africa	Americas	Europe	Asia
4.7%	10.7%	32.1%	51.0%

2020/21 | Main contributors by Customs Port of Entry to Total Import Tax

Cape Town Harbour	O.R Tambo Int. Airport	Durban Harbour
10.7%	17.3%	46.2%

CHAPTER 5: IMPORT VAT AND CUSTOMS DUTIES

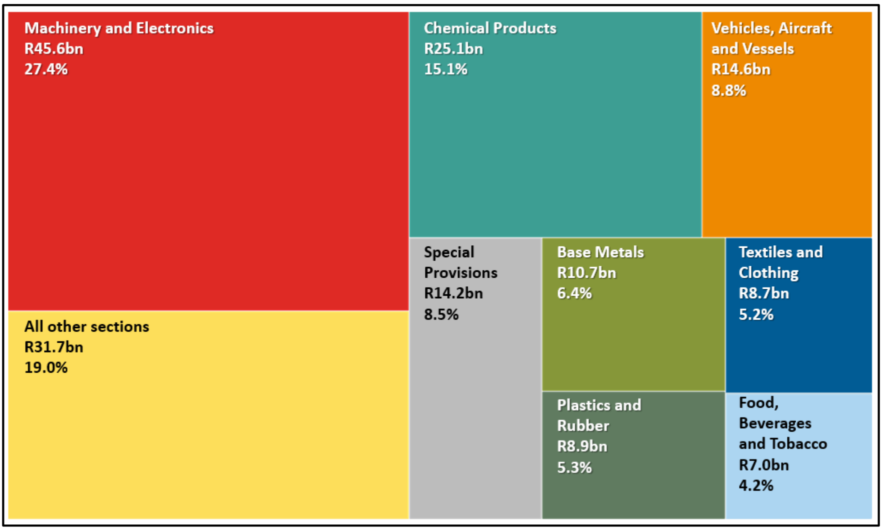
This chapter provides information on the Customs value, Import VAT, Customs Duties and Total Import Tax revenues by Harmonised System (HS), world zone, customs port of entry, country of origin as well as for selected trade blocs.

For the 2020/21 fiscal year:

- Import VAT collections totalled R166.5 billion and declined year-on-year (y/y) by 7.5%, following a 2.7% growth recorded in 2019/20. This was driven by significant levels of decline in the imports of key contributing commodities.
- Collections of Customs Duties totalled R47.3 billion and experienced a significant y/y deterioration of 14.7%, on the back of a marginal 0.8% growth rate in 2019/20. Revenue from two of the sub-categories of Duties, namely Specific Excise Duties and *Ad valorem* Excise Duties contributed R5.5 billion (11.5%) and R8.2 billion (17.3%) respectively to the year's total Duty collection (referencing Sections A and B respectively of Part 2 of Schedule 1 to the Customs and Excise Act, 1964). The majority of the remaining R33.6 billion (71.1%) comprises all other Customs Duties levied, predominantly General Duties (Part 1 of Schedule 1 to the Customs and Excise Act, 1964).
- The largest driver of the year's Import VAT was *Machinery and Electronics* at 27.4%, up from 25.9% in 2019/20. Notably, *Vehicles, Aircraft and Vessels* accounted for the most significant portion of Customs Duties at 20.1%, dipping from 25.1% in the prior year.

- Imports from the world zones of Asia and Europe accounted for 83.1% of the combined Total Import Tax contribution, an increase from 82.2% in 2019/20.
- On a country basis, China and Germany, at 28.9% and 9.3% of Total Import Tax contribution respectively, remained the principal suppliers of taxable goods into South Africa.
- The Importer register grew y/y by 1.0% to 333 204 in number.
- The overall effective tax rates were 9.3% for Import VAT, 2.8% for Customs Duties and 12.0% for Total Import Tax.

Import VAT by HS section, 2020/21

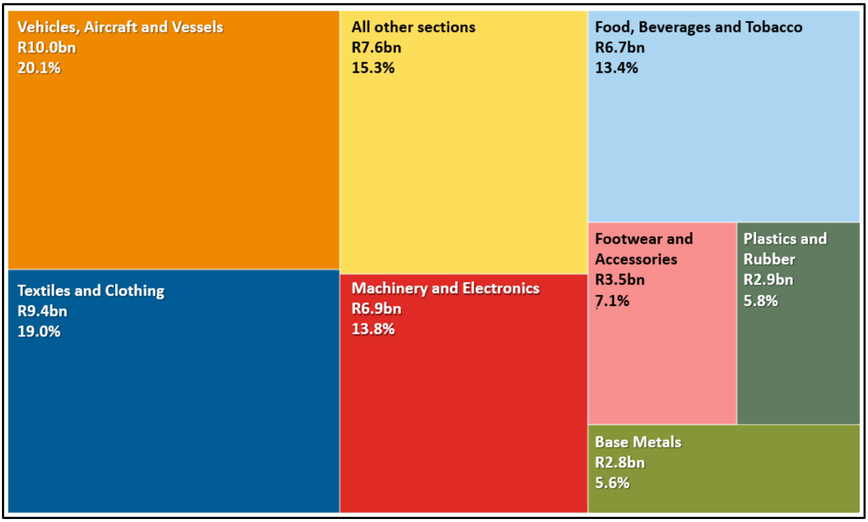


Import VAT for 2020/21 was collected mostly from the importation of *Machinery and Electronics* (27.4%); *Chemical Products* (15.1%); *Vehicles, Aircraft and Vessels* (8.8%); *Special Provisions* (8.5%); *Base Metals* (6.4%); *Plastics and Rubber* (5.3%); *Textiles and Clothing*

(5.2%) as well as *Food, Beverages and Tobacco* (4.2%). The *All Other sections* grouping (19.0%) comprises the remaining 14 HS sections.

The overall effective tax rate for Import VAT in 2020/21 was 9.3% compared to previous year's 9.9%. Key commodities with the highest effective VAT rates were *Footwear and Accessories* at 18.6%; *Hides, Skins and Leather* at 16.2%; *Special Provisions* at 16.2% as well as *Articles of Stone, Plaster etc.* at 16.1%.

Customs Duties by HS section, 2020/21

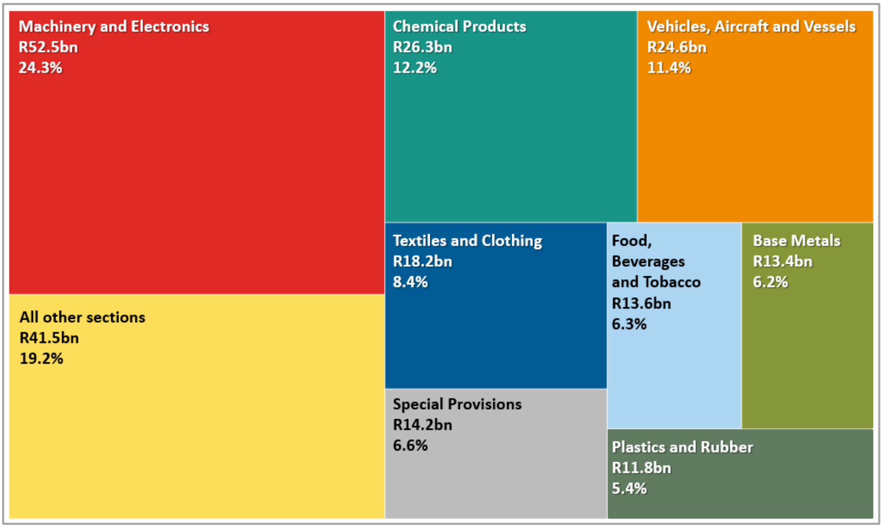


The largest contributing HS sections to Customs Duties in 2020/21 were *Vehicles, Aircraft and Vessels* (20.1%); *Textiles and Clothing* (19.0%); *Machinery and Electronics* (13.8%) as well as *Food, Beverages and Tobacco* (13.4%).

The overall effective Customs Duty rate in 2020/21 was 2.8% compared to previous year's 3.2%. Key commodities with the highest effective Duty rates were *Footwear and Accessories* at

24.5%; *Hides, Skins and Leather* at 19.5%; *Textiles and Clothing* at 14.5%; *Food, Beverages and Tobacco* at 9.8% as well as *Vehicles, Aircraft and Vessels* at 6.9%.

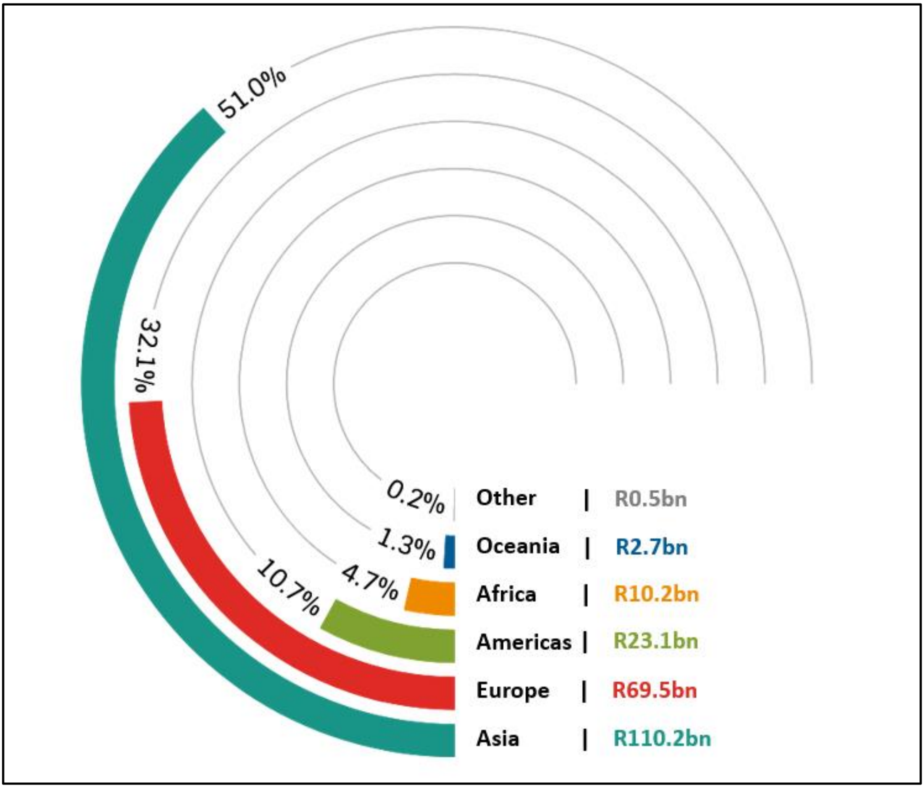
Total Import Tax by HS section, 2020/21



Machinery and Electronics; Chemical Products; Vehicles, Aircraft and Vessels; Textiles and Clothing; Special Provisions as well as *Food, Beverages and Tobacco* – combined, made up 69.2% of the Total Import Tax for 2020/21.

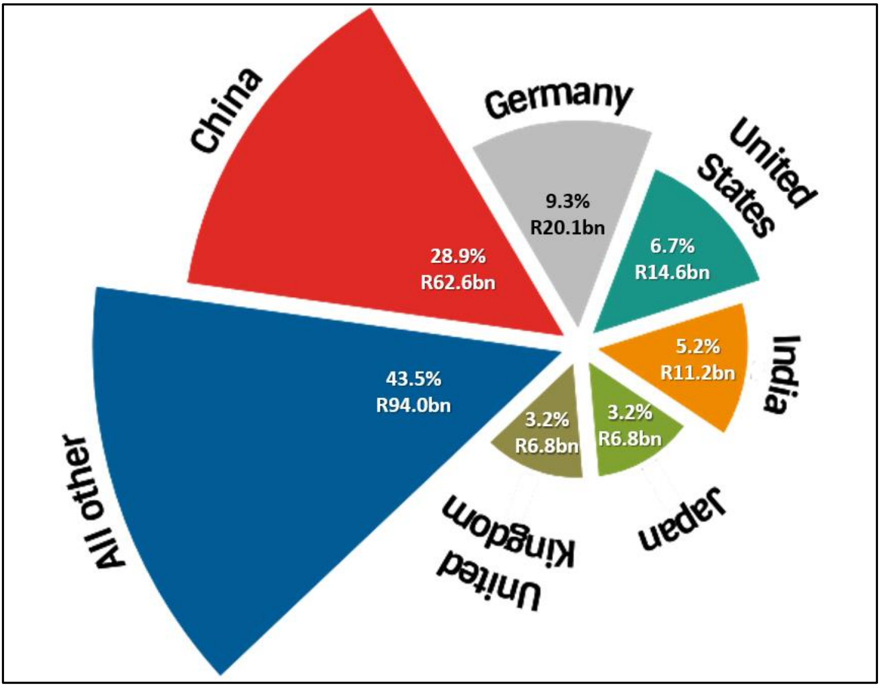
The overall effective tax rate for Total Import Tax in 2020/21 was 12.0% compared to previous year's 13.2%. Key commodities with the highest effective Total Import Tax rates were *Footwear and Accessories* at 43.1%; *Hides, Skins and Leather* at 35.8% and *Textiles and Clothing* at 27.8%.

Total Import Tax by world zone, 2020/21



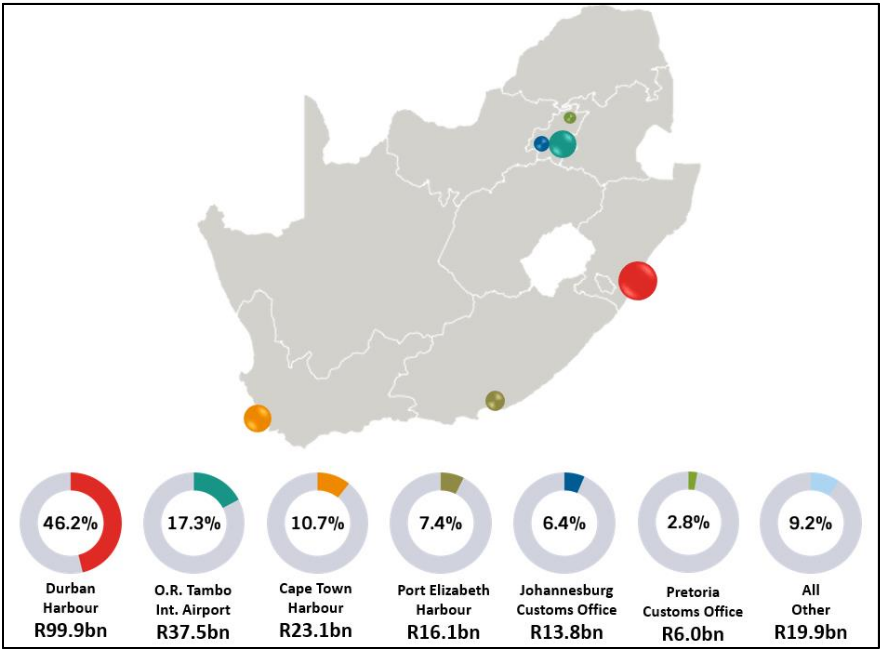
The top six countries of origin − China, Germany, United States, India, Japan and United Kingdom – collectively accounted for 56.5% of the Total Import Tax for 2020/21.

Total Import Tax by country of origin, 2020/21



The contribution of the top six offices – Durban Harbour, O.R. Tambo International Airport, Cape Town Harbour, Port Elizabeth Harbour, Johannesburg Customs Office and Pretoria Customs Office – together accounted for 90.8% of the Total Import Tax for 2020/21.

Total Import Tax by customs port of entry, 2020/21



For the 2020/21 fiscal year

Capital Gains Tax

Increase of R2.3 billion (16.3%) on the R14.1 billion raised in 2019/20.

Company CGT = R7.9 billion + Individual CGT = R8.4 billion → Capital Gains Tax raised of R16.4 billion

Figures have been rounded, therefore discrepancies may occur between the numbers of the component items and the totals in the tables.

An aggregate of **R173.1 billion** has been raised since the introduction of CGT in October 2001

Transfer duties amounted to R7.6 billion increase from R7.1 billion in 2019/20

Property transfers that were subjected to transfer duty

R216.8 billion

Average transfer duty paid

R74,742

Mineral and Petroleum Resources Royalty payments amounted to **R14.2 billion**, a **20.3%** increase from **2019/20**

This increase is attributed to a significant improvement in commodities such as platinum and gold.

Contributions to the SACU pool during **2020/21**

R82.9 billion

Diesel refunds decreased by **19.1%** from R8.8 billion to **R7.1 billion** in **2020/21**

This decrease was mainly driven by the significant decline of R1.3 billion (44.0%) in the Mining sector.

CHAPTER 6: OTHER TAXES AND COLLECTIONS

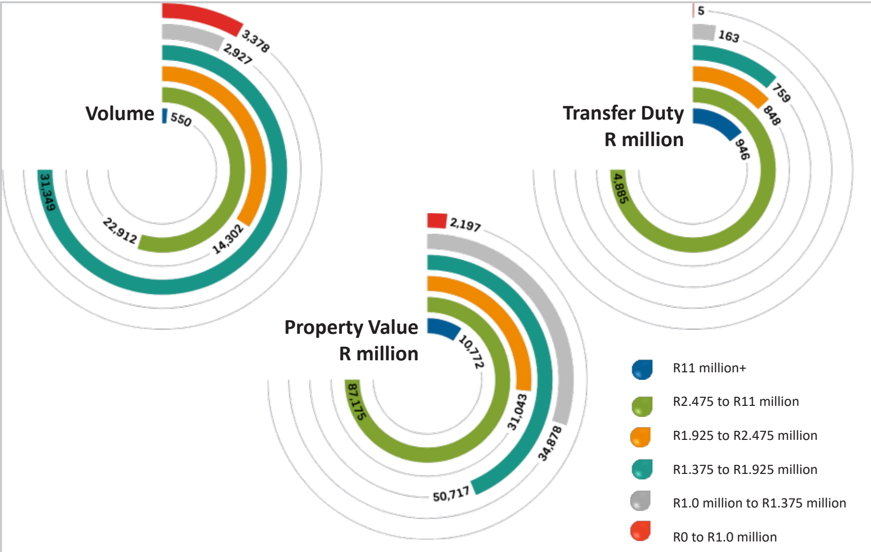
This chapter focuses on revenue collection trends that provide insight into specific aspects of economic activity during 2020/21. It gives an overview of:

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

For the 2020/21 fiscal year:

- Capital Gains Tax (CGT) of R16.4 billion was raised of which R8.4 billion was attributable to individuals and trusts and R7.9 billion to companies. This reflects an overall growth of R2.3 billion (16.3%) against the R14.1 billion raised in 2019/20. An aggregate of R173.1 billion has been raised since the introduction of CGT in October 2001, with R80.9 billion from individuals and trusts and R92.1 billion from companies.
- Transfer Duty collected totaled R7.6 billion an increase from the R7.1 billion collected in 2019/20, emanating from a 17.0% ***volume*** increase year-on-year and a 23.4% increase in ***value*** of dutiable properties.

Distribution of Transfer Duty collected by property value, 2020/21



- Diesel refunds decreased from R8.8 billion in 2019/20 to R7.1 billion in 2020/21, a contraction of R1.7bn (19.1%). This decrease was mainly driven by the significant decline of R1.3 billion (44.0%) in the Mining sector which was one of the sectors classified as non-essential and was restricted from operating during certain levels of the COVID-19 lock down.
- Mineral and Petroleum Resources Royalty (MPRR) payments by extractors grew significantly by R2.4 billion (20.3%) to R14.2 billion due to a significant improvement in the prices of commodities such as platinum as well as gold. This growth, however, was at a lower growth rate when compared to the growth achieved in the 2016/17 financial year of R2.1 billion (56.5%).
- Total contributions to the Southern African Customs Union (SACU) pool amounted to R82.9 billion, reflecting a significant decline of 22.0% on the contributions from the previous year.

NOTES