2016 Tax Statistics – Highlights

A joint publication between National Treasury and the 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.
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.
# 2016 Tax Statistics

## HIGHLIGHTS

### 2016 Tax Statistics At A Glance

**DATA**

- **TAX REGISTER AS AT MARCH 2016**
  - **PIT**: 19,075,270 individuals (458,048 employers)
  - **CIT**: 3,278,708 companies
  - **VAT**: 706,874 VAT vendors
  - **Import VAT & Customs Duties**: 289,922 importers

**EXPECTED TO SUBMIT & ACTIVE**

- **PIT**: 6,662,490 expected to submit¹
  - 4,788,333 assessed¹ R1.3tr taxable income¹ R268.5bn tax assessed¹
- **CIT**: 897,228 expected to submit²
  - 702,395 assessed² R170.8bn tax assessed²
- **VAT**: 425,225 active vendors³
  - R297.4bn payments³ R167.1bn refunds³
- **Import VAT & Customs Duties**: R1.5tr Customs value³, R149.2bn Import VAT³, R47.6bn Customs Duties³

**ASSESSMENTS, PAYMENTS, REFUNDS, BILLS OF ENTRY**

- **PIT**: R389.3bn (includes PAYE)
- **CIT**: R193.4bn
- **VAT**: Net VAT R281.1bn (includes payments, refunds & Import VAT)

**COLLECTIONS FOR 2015/16**

- **TAX REGISTER AS AT MARCH 2016**
  - **PIT**: R167.1bn
  - **CIT**: R297.4bn
  - **VAT**: R268.5bn
  - **Import VAT & Customs Duties**: R389.3bn

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1. For the 2015 tax year
2. For the 2014 tax year
3. For the 2015/16 fiscal year

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### Tax Statistics chapters

- **Chapter 1: Revenue collections**
- **Chapter 2: PIT**
- **Chapter 3: CIT**
- **Chapter 4: Import VAT & Customs Duties**
- **Chapter 5: Other Taxes and Collections**
For the 2015/16 fiscal year:

Revenue collected during 2015/16 fiscal year

- **R1 070.0 BILLION**
  - Higher by R83.7bn against 2014/15
  - Compound annual growth rate (CAGR) achieved for 2011/12 to 2015/16

**Composition of main sources of tax revenue**

- **PIT**: 33.8% (2011/12) vs. 36.4% (2015/16)
- **CIT**: 20.6% (2011/12) vs. 18.1% (2015/16)
- **VAT**: 25.7% (2011/12) vs. 26.3% (2015/16)
- **Other**: 19.9% (2011/12) vs. 19.2% (2015/16)

- Environmental taxes decrease from 1.2% in 2011/12 to 1.0% in 2015/16

**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
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

<table>
<thead>
<tr>
<th>Number as at</th>
<th>Individuals¹ ²</th>
<th>Companies (CIT)¹ ³</th>
<th>Trusts¹</th>
<th>Employers¹</th>
<th>VAT Vendors¹</th>
<th>Importers¹</th>
<th>Exporters¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Mar 2012</td>
<td>13 703 717</td>
<td>2 034 719</td>
<td>301 365</td>
<td>384 883</td>
<td>652 349</td>
<td>247 595</td>
<td>224 216</td>
</tr>
<tr>
<td>31 Mar 2013</td>
<td>15 418 920</td>
<td>2 195 883</td>
<td>312 066</td>
<td>391 254</td>
<td>650 540</td>
<td>265 497</td>
<td>240 709</td>
</tr>
<tr>
<td>31 Mar 2014</td>
<td>16 779 711</td>
<td>2 685 405</td>
<td>322 188</td>
<td>407 066</td>
<td>662 194</td>
<td>272 544</td>
<td>246 500</td>
</tr>
<tr>
<td>31 Mar 2015</td>
<td>18 185 538</td>
<td>2 935 385</td>
<td>331 584</td>
<td>429 691</td>
<td>679 274</td>
<td>280 953</td>
<td>254 108</td>
</tr>
<tr>
<td>31 Mar 2016</td>
<td>19 075 270</td>
<td>3 278 708</td>
<td>340 000</td>
<td>458 048</td>
<td>706 874</td>
<td>289 922</td>
<td>262 162</td>
</tr>
</tbody>
</table>

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).
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.

### Illustration of budget revenue and consolidated revenue

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Total budget revenue (R million)</th>
<th>Tax revenue</th>
<th>% of budget revenue</th>
<th>% of consolidated revenue</th>
<th>Non-tax revenue</th>
<th>Total tax and non-tax revenue</th>
<th>Less: SACU payments</th>
<th>Budget revenue</th>
<th>Other</th>
<th>Consoldated revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>742 850</td>
<td>100.3%</td>
<td>88.7%</td>
<td></td>
<td>24 493</td>
<td>767 653</td>
<td>-21 760</td>
<td>745 263</td>
<td>99 371</td>
<td>642 264</td>
</tr>
<tr>
<td>2012/13</td>
<td>813 826</td>
<td>103.4%</td>
<td>92.9%</td>
<td></td>
<td>28 486</td>
<td>842 204</td>
<td>-42 151</td>
<td>800 143</td>
<td>107 424</td>
<td>907 566</td>
</tr>
<tr>
<td>2013/14</td>
<td>900 015</td>
<td>101.4%</td>
<td>93.3%</td>
<td></td>
<td>30 626</td>
<td>930 641</td>
<td>-43 374</td>
<td>887 268</td>
<td>120 822</td>
<td>1 008 089</td>
</tr>
<tr>
<td>2014/15</td>
<td>985 295</td>
<td>102.2%</td>
<td>89.7%</td>
<td></td>
<td>30 900</td>
<td>1 017 195</td>
<td>-51 738</td>
<td>965 457</td>
<td>134 488</td>
<td>1 099 955</td>
</tr>
<tr>
<td>2015/16</td>
<td>1 069 983</td>
<td>99.8%</td>
<td>87.5%</td>
<td></td>
<td>55 055</td>
<td>1 125 037</td>
<td>-51 022</td>
<td>1 074 016</td>
<td>143 545</td>
<td>1 222 560</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Tax revenue collected</th>
<th>Operating cost</th>
<th>Cost of collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>742 650</td>
<td>8 221</td>
<td>1.11%</td>
</tr>
<tr>
<td>2012/13</td>
<td>813 826</td>
<td>8 696</td>
<td>1.07%</td>
</tr>
<tr>
<td>2013/14</td>
<td>900 015</td>
<td>8 702</td>
<td>0.97%</td>
</tr>
<tr>
<td>2014/15</td>
<td>986 295</td>
<td>9 528</td>
<td>0.97%</td>
</tr>
<tr>
<td>2015/16</td>
<td>1 069 983</td>
<td>10 245</td>
<td>0.96%</td>
</tr>
</tbody>
</table>

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.
2016 Tax Statistics
For the 2015/16 year:

**PIT largest source of revenue**
- 36.4%

**Growth in the individual taxpayer register**
- 8.4%

**Registered individual taxpayers**
- Assessed Individual taxpayers

- Taxable income of assessed individual taxpayers

- Aggregated taxable income of assessed individual taxpayers

**Tax liability of assessed individual taxpayers**
- R1.3 trillion

**PAYE payments received from the financial intermediation, insurance sector**
- 46.0%

**Assessed taxpayers**
- 18.2 million

**Assessed taxpayers**
- 4.8 million

**Pay Refunds**
- 67.6%

**Owed SARS some tax**
- 19.6%

**Had a zero assessment**
- 12.8%

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

**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**
- 3 806 986 Taxpayers assessed for the 2005 tax year
- 5 519 569 Assessed for the 2014 tax year
- 2 280 482 Taxpayers assessed for all tax years 2005 - 2014

**Municipalities**
- Statistics available on assessed tax for individual taxpayers in 234 municipalities
HIGHLIGHTS

2016 Tax Statistics

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).
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.
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.
### Assessed taxpayers by income group, deductions granted & taxable income, 2015

<table>
<thead>
<tr>
<th>Income group</th>
<th>Number of taxpayers</th>
<th>Income before deductions (R million)</th>
<th>Deductions allowed (R million)</th>
<th>Taxable income (R million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;= 0</td>
<td>131 110</td>
<td>-16 011</td>
<td>29</td>
<td>-16 040</td>
</tr>
<tr>
<td>1 – 70 000</td>
<td>478 495</td>
<td>18 099</td>
<td>231</td>
<td>17 869</td>
</tr>
<tr>
<td>70 001 – 350 000</td>
<td>3 012 171</td>
<td>581 717</td>
<td>24 989</td>
<td>556 728</td>
</tr>
<tr>
<td>350 001 – 500 000</td>
<td>527 958</td>
<td>218 510</td>
<td>13 195</td>
<td>205 315</td>
</tr>
<tr>
<td>500 000 +</td>
<td>638 600</td>
<td>621 427</td>
<td>38 021</td>
<td>583 406</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4 788 334</strong></td>
<td><strong>1 423 743</strong></td>
<td><strong>76 465</strong></td>
<td><strong>1 347 278</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income group</th>
<th>Average income per assessed taxpayer (Rand)</th>
<th>Average deduction allowed (Rand)</th>
<th>Average taxable income per assessed taxpayer (Rand)</th>
<th>Percentage of income granted as a deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;= 0</td>
<td>-122 117</td>
<td>225</td>
<td>-122 342</td>
<td>0.2%</td>
</tr>
<tr>
<td>1 – 70 000</td>
<td>37 825</td>
<td>482</td>
<td>37 343</td>
<td>1.3%</td>
</tr>
<tr>
<td>70 001 – 350 000</td>
<td>193 122</td>
<td>8 296</td>
<td>184 826</td>
<td>4.3%</td>
</tr>
<tr>
<td>350 001 – 500 000</td>
<td>413 878</td>
<td>24 992</td>
<td>388 886</td>
<td>6.0%</td>
</tr>
<tr>
<td>500 000 +</td>
<td>973 109</td>
<td>59 539</td>
<td>913 570</td>
<td>6.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>297 336</strong></td>
<td><strong>15 969</strong></td>
<td><strong>281 367</strong></td>
<td><strong>5.4%</strong></td>
</tr>
</tbody>
</table>

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

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

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.
Average taxable income per assessed taxpayer by province (based on residential address), 2015
For the 2014 tax year:

18.9%  
1st Provisional period

18.1%  
3rd Provisional period

54.0%  
2nd Provisional period

TOTAL CIT PROVISIONAL TAX COLLECTED

42.7%  
TAX COLLECTED

NEARLY 3 MILLION COMPANIES ON REGISTER as at March 2015

702 395  
Were assessed (majority of remainder inactive or dormant)

126 400  
Assessed as Small Business Corporations (using graduated tax rates as opposed to a fixed rate)

Contributions by financial year end

December 33.0%  
6.3% Agencies and other services

June 25.3%  
8.3% Construction sector

February 19.5%  
15.0% Financing, insurance, real estate & business services sector

TAXABLE INCOME REPORTED FOR ASSESSED COMPANIES

28.5%  
Reported NEGATIVE taxable income (assessed losses)

46.8%  
Reported ZERO taxable income

24.7%  
Reported POSITIVE taxable income

SECTOR CONTRIBUTIONS OF COMPANIES WITH ASSESSED LOSSES

126 400

Taxable income assessed of companies

2014/15
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.
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

<table>
<thead>
<tr>
<th>Tax year</th>
<th>1st Provisional period</th>
<th>2nd Provisional period</th>
<th>3rd Provisional period</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R million</td>
<td>Percentage change</td>
<td>R million</td>
<td>Percentage change</td>
</tr>
<tr>
<td>2012</td>
<td>65 710</td>
<td>13.7%</td>
<td>85 123</td>
<td>1.1%</td>
</tr>
<tr>
<td>2013</td>
<td>72 112</td>
<td>9.7%</td>
<td>95 097</td>
<td>11.7%</td>
</tr>
<tr>
<td>2014</td>
<td>77 062</td>
<td>6.9%</td>
<td>97 553</td>
<td>2.6%</td>
</tr>
<tr>
<td>2015</td>
<td>76 555</td>
<td>-0.7%</td>
<td>101 715</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of total</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Provisional period</td>
<td>42.2%</td>
<td>41.3%</td>
<td>42.7%</td>
<td>41.9%</td>
</tr>
<tr>
<td>2nd Provisional period</td>
<td>54.6%</td>
<td>54.5%</td>
<td>54.0%</td>
<td>55.7%</td>
</tr>
<tr>
<td>3rd Provisional period</td>
<td>3.2%</td>
<td>4.2%</td>
<td>3.3%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

| Total | 100.0% | 100.0% | 100.0% | 100.0% |

### Provisional tax payments by companies financial year end, 2014

- Jun: R45.7bn (25.3%)
- Feb: R35.2bn (19.5%)
- Mar: R23.7bn (13.1%)
- Sep: R9.2bn (5.1%)
- All other months: R7.2bn (4.0%)
- Dec: R59.6bn (33.0%)
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

<table>
<thead>
<tr>
<th>Tax year</th>
<th>Provisional tax payments</th>
<th>Tax assessed</th>
<th>Tax assessed as % of provisional tax payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>155 827</td>
<td>157 578</td>
<td>101.1%</td>
</tr>
<tr>
<td>2013</td>
<td>174 591</td>
<td>169 760</td>
<td>97.2%</td>
</tr>
<tr>
<td>2014</td>
<td>180 552</td>
<td>170 765</td>
<td>94.6%</td>
</tr>
<tr>
<td>2015</td>
<td>182 739</td>
<td>105 392</td>
<td>57.7%</td>
</tr>
</tbody>
</table>

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.
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.
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.
Small Business Corporations’ tax rates, 2012 and 2015

<table>
<thead>
<tr>
<th>Tax year income brackets</th>
<th>2012</th>
<th>SBC rate for 2012</th>
<th>2015</th>
<th>SBC rate for 2015</th>
<th>Percentage increase in top bracket</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 63 556</td>
<td>0%</td>
<td>0 – 73 650</td>
<td>0%</td>
<td>7%</td>
<td>15.9%</td>
</tr>
<tr>
<td>63 557 – 350 000</td>
<td>10%</td>
<td>73 651 – 365 000</td>
<td>7%</td>
<td>4.3%</td>
<td></td>
</tr>
<tr>
<td>350 001 and over</td>
<td>28%</td>
<td>365 001 – 550 000</td>
<td>21%</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>550 001 and over</td>
<td>28%</td>
<td>–</td>
<td></td>
</tr>
</tbody>
</table>

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

#### 2014 tax rates (rates in effect from 1 April 2013 to 31 March 2014)

In any calendar year, SBCs can be taxed by applying one of two different brackets, depending on the year of assessment:

- Taxable income between **0** and **
  
  63 556** is taxed at **0%**.
- Taxable income between **63 557** and **123 456** is taxed at **7%**.
- Taxable income between **123 457** and **246 912** is taxed at **21%**.
- Taxable income over **246 913** is taxed at **28%**.

**Example:**

- A SBC with a taxable income of **123 457** would be taxed at **21%**.
- A SBC with a taxable income of **246 913** and over would be taxed at **28%**.

#### 2015 tax rates (rates in effect from 1 April 2014 to 31 March 2015)

- Taxable income between **0** and **
  
  63 557** is taxed at **0%**.
- Taxable income between **63 558** and **123 456** is taxed at **7%**.
- Taxable income between **123 457** and **246 912** is taxed at **21%**.
- Taxable income over **246 913** is taxed at **28%**.

**Example:**

- A SBC with a taxable income of **123 457** would be taxed at **21%**.
- A SBC with a taxable income of **246 913** and over would be taxed at **28%**.
For the 2015/16 fiscal year:

706 874 Registered VAT vendors
425 225 (60.2%) were active

### Companies and close corporations

- 73.8% Companies
- 20.7% Close corporations
- 2.4% Partnerships
- 2.0% Trusts
- 1.1% Other

### Individuals

- 85.6% Vendors making payments and receiving refunds in the bi-monthly category

### VAT vendors with a turnover of R1 million or less

- 38.3% Other

### 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

#### Vendors making payments and receiving refunds in the monthly category

- 11.4% of VAT payments
- 76.8%
- 89.3% of VAT refunds
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

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

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

- **Financial intermediation, insurance, real-estate & business services**: R 126.4bn (42.7%)
- **Manufacturing**: R 44.0bn (14.9%)
- **Wholesale & retail trade, catering & accommodation**: R 43.7bn (14.8%)
- **Construction**: R 19.5bn (6.6%)
- **Transport, storage & communication**: R 16.2bn (5.5%)
- **Mining and quarrying**: R 9.8bn (3.3%)
- **Community, social & personal services**: R 18.1bn (6.1%)
- **All other sectors**: R 18.6bn (6.3%)
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

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>R million</th>
<th>Standard rate (excl. capital goods and services and accommodation)</th>
<th>Standard rate (only capital goods and/or services)</th>
<th>Supply of accommodation</th>
<th>Adjustments ¹</th>
<th>Total output tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/13</td>
<td>946 731</td>
<td>30 195</td>
<td>2 011</td>
<td>9 318</td>
<td>988 255</td>
<td></td>
</tr>
<tr>
<td>2013/14</td>
<td>1 035 445</td>
<td>32 082</td>
<td>2 219</td>
<td>10 145</td>
<td>1 079 891</td>
<td></td>
</tr>
<tr>
<td>2014/15</td>
<td>1 111 283</td>
<td>29 042</td>
<td>2 338</td>
<td>11 987</td>
<td>1 154 650</td>
<td></td>
</tr>
<tr>
<td>2015/16</td>
<td>1 173 226</td>
<td>32 020</td>
<td>2 540</td>
<td>11 363</td>
<td>1 219 150</td>
<td></td>
</tr>
</tbody>
</table>

Percentage of total

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard rate (excl. capital goods and services and accommodation)</td>
<td>95.8%</td>
<td>95.9%</td>
<td>96.2%</td>
<td>96.2%</td>
</tr>
<tr>
<td>Standard rate (only capital goods and/or services)</td>
<td>3.1%</td>
<td>3.0%</td>
<td>2.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Supply of accommodation</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Adjustments ¹</td>
<td>0.9%</td>
<td>0.9%</td>
<td>1.0%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Total output tax</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

¹. Includes Change in use and export of second-hand goods, as well as Other and imported services.
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.
Vendors per annualised turnover (payments and refunds), 2012/13 – 2015/16

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

**Number of registered importers**

289,922

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

**Main contributor to Customs Duties and Ad valorem import duties:**

Vehicles & transport equipment

- Customs Duties: 27.6%
- Ad valorem import duties: 70.5%

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
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.
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**
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**
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
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**

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
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<td>1.0%</td>
<td>1.1%</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

**2016 Tax Statistics**
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

Average transfer duty paid

101 094

R73 163

**Mineral and Petroleum Resources Royalty amounted to R3.7 billion**

Decrease from previous year

31.6%

**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

![Image of bar chart showing distribution of Transfer Duty collected by property value, 2015/16]
- 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.
<table>
<thead>
<tr>
<th>Year</th>
<th>Total Filings</th>
<th>Individual Filings</th>
<th>Corporate Filings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>123,456,789</td>
<td>12,345,678</td>
<td>1,234,567</td>
</tr>
<tr>
<td>2017</td>
<td>123,456,789</td>
<td>12,345,678</td>
<td>1,234,567</td>
</tr>
<tr>
<td>2018</td>
<td>123,456,789</td>
<td>12,345,678</td>
<td>1,234,567</td>
</tr>
<tr>
<td>2019</td>
<td>123,456,789</td>
<td>12,345,678</td>
<td>1,234,567</td>
</tr>
<tr>
<td>2020</td>
<td>123,456,789</td>
<td>12,345,678</td>
<td>1,234,567</td>
</tr>
</tbody>
</table>

**NOTES**

- Data includes both individual and corporate tax filings.
- Filings are rounded to the nearest thousand.
Tax Statistics – Highlights

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