



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



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## JOINT MEDIA STATEMENT

### SOUTH AFRICAN REVENUE SERVICE RELEASES 13<sup>TH</sup> ANNUAL EDITION OF TAX STATISTICS

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**PRETORIA, THURSDAY 31 DECEMBER 2020**

The South African Revenue Service, with support of the National Treasury, have published the 13<sup>th</sup> annual edition of the *Tax Statistics*.

The 2020 edition provides an overview of tax revenue collections and tax return information for the 2016 to 2019 tax years, as well as the 2015/16 to 2019/2020 fiscal years.

The 2019 technical recession led to slow growth in revenue collections, which culminated in a downward revision of revenue estimates. Whilst revenues generated from the tax system move in tandem with the economy, on average, the growth in tax revenues has been higher than economic growth. Key points in the 2019 edition are:

- Tax revenue collected amounted to R1 355.8 billion, growing year-on-year by R68.1 billion (5.3%), mainly supported by Personal Income Tax (PIT) which grew by R35.3 billion (7.2%);
  - Personal Income Tax (PIT) at 39.0%, Corporate Income Tax (CIT) at 15.9% and Value-added Tax (VAT) at 25.6%, in aggregate remain the largest sources of tax revenue and comprise about 80.5% of total tax revenue collections.
  - Nominal tax revenue grew at a compound annual growth rate of 6.1% for the period 2015/16 to 2019/20. The tax-to-GDP ratio has remained stable over the same period, averaging around 26.0%, with increased contributions from Personal Income Tax (PIT) and Value-Added Tax (VAT).

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- In Chapter 2: PIT, geographic and demographic analysis of the assessments of the taxpayers who had been assessed as at the end of October 2020 showed some interesting results:
  - 1 776 301 (40.9%) of assessed taxpayers were registered in Gauteng;
  - 580 464 of assessed taxpayers lived in the Johannesburg Metro and were taxed on an average taxable income of R512 785;
  - 1 171 410 (27.0%) of assessed taxpayers were aged between 35 to 44 years; and
  - 2 352 902 (54.2%) of assessed taxpayers were male; 1 985 021 (45.8%) were female.
  - The assessed taxpayers had aggregate taxable income of R1.6 trillion and a tax liability of R360.0 billion. Their average tax rate was 22.5% compared to 21.6% in the previous tax year.
  - Income from salaries, wages and other remuneration as well as pension, overtime and annuities accounted for 77.6% of total taxable income.
  
- Statistics in Chapter 3 regarding CIT reveal that out of the 780 480 companies assessed as at 31 July 2020 for tax year 2018, 25.2% had positive taxable income, whilst 46.6% had taxable income equal to zero and the remaining 28.2% reported an assessed loss.
  
- Chapter 4 indicates that in 2019/20, 78.5% of active VAT vendors were companies or close corporations. They contributed 92.6% to Domestic VAT payments and accounted for 90.9% of VAT refunds. Although individuals (sole proprietors) comprised 16.1% of VAT vendors, they contributed 2.7% of Domestic VAT payments and received 1.2% of VAT refunds.
  
- As detailed in Chapter 5, Import VAT and Customs Duties accounted for 13.3% and 4.1% of the year's Total Tax Revenue respectively; resulting in a 17.4% aggregate which was slightly below the 17.6% average over the preceding five fiscal years. The share of these taxes to GDP rose to 4.6% from the preceding five-year average of 4.5%, with Import VAT recording 3.5% and Customs Duties at 1.1% for the 2019/20 fiscal year.
  - The largest contributing HS sections to Customs Duties in 2019/20, as shown in Figure 5.2, were Vehicles, Aircraft and Vessels (25.1%); Textiles and

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Clothing (16.7%); Food, Beverages and Tobacco (15.8%) as well as Machinery and Electronics (11.7%).

- Imports under the Food, Beverages and Tobacco section made up 98.5% of the Specific Excise Duty total, largely driven by cigarettes (43.4%) sourced mainly from Switzerland; and whiskies (27.3%) imported mostly from the United Kingdom.
  - The sections of Vehicles, Aircraft and Vessels (66.3%) as well as Machinery and Electronics (29.0%) were the largest contributors to the Ad valorem Duty total; with 38.7% of the former's total comprising luxury vehicles from Germany, while 68.1% of the latter's total made up by electronic devices mainly from China.
  - The overall effective Customs Duty rate in 2019/20 was 3.2% compared to previous year's 3.1%. Key commodities with the highest effective Duty rates were Footwear and Accessories at 24.8%; Hides, Skins and Leather at 20.4%; Textiles and Clothing at 16.1%; Food, Beverages and Tobacco at 13.0% as well as Vehicles, Aircraft and Vessels at 7.6%.
- Finally, Chapter 6: Other Taxes and Collections provide information about taxes such as Capital Gains Tax (CGT), Transfer Duty, Mineral and Petroleum Resources Royalty (MPRR), Southern African Customs Union (SACU) payments and Diesel refunds. In 2019/20, CGT of R14.1 billion was raised of which R6.4 billion was attributable to individuals and trusts and R7.7 billion to companies. This reflects a significant decline of R3.8 billion (21.3%) against the R17.9 billion raised in 2018/19. An aggregate of R156.7 billion has been raised since the introduction of CGT in October 2001, with R72.5 billion from individuals and trusts and R84.2 billion from companies.

The 2020 Tax Statistics documents have been collected and consolidated by SARS, using information from tax returns submitted to SARS, taking into account the need for taxpayer confidentiality.

The document is available on the SARS and National Treasury websites at [www.sars.gov.za](http://www.sars.gov.za) and [www.treasury.gov.za](http://www.treasury.gov.za)

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SARS and National Treasury welcome public comments and suggestions to continue to enhance the publication's utility in policy evaluation, and developing new insights in South Africa's social and economic context. These can be provided *via* e-mail to [taxstatistics@sars.gov.za](mailto:taxstatistics@sars.gov.za).

For further information, please consult SARS and NT, at [SARSMedia@sars.gov.za](mailto:SARSMedia@sars.gov.za) and [NTMedia@nt.gov.za](mailto:NTMedia@nt.gov.za).

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