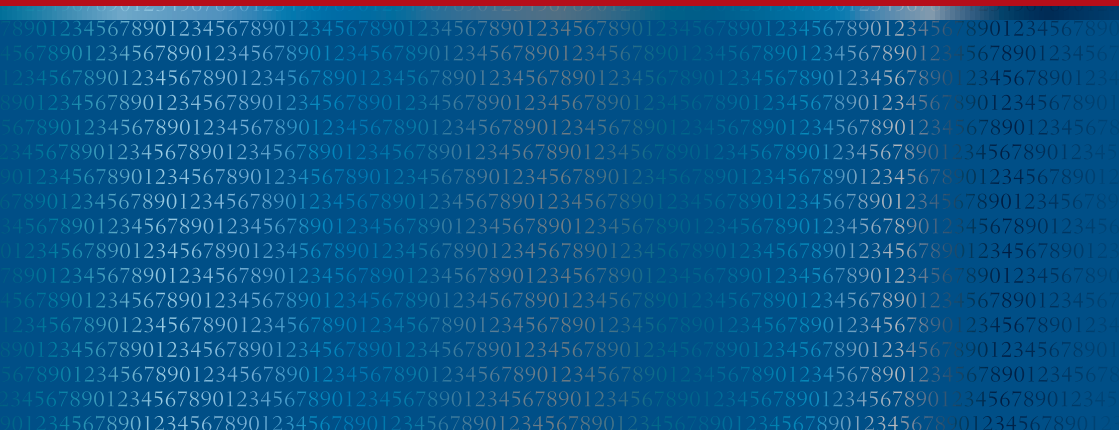


2011

Tax Statistics – Highlights

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



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



South African Revenue Service



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ABOUT THE PUBLICATION

The *2011 Tax Statistics* is the 4th edition and provides an overview of tax revenue collections as well as tax return and assessment information for the period 2006/07 to 2010/11 and the 2007 to 2010 tax years.

The publication provides tax revenue data at a more disaggregate level than statistics contained in other publications such as National Treasury's Budget Review and the SARS Annual Reports.

The publication is set out as follows:

- Chapter 1: Revenue collections
- Chapter 2: Personal income tax (PIT)
- Chapter 3: Company income tax (CIT)
- Chapter 4: Value-added tax (VAT)
- Chapter 5: VAT on imports and customs duties
- Glossary.

What's new since the last edition of tax statistics:

- A new table showing the provisional tax by period has been introduced in both the PIT and CIT chapters, with a further breakdown of CIT provisional payments by the financial-year end of companies.
- A new age-group of 75 years and older has been brought in due to the introduction of a third (tertiary) rebate for this age category.
- Input/output VAT tables and ratios have been introduced.
- VAT turnover table has been expanded.
- Tables applicable to each chapter have been inserted at the end of each chapter.

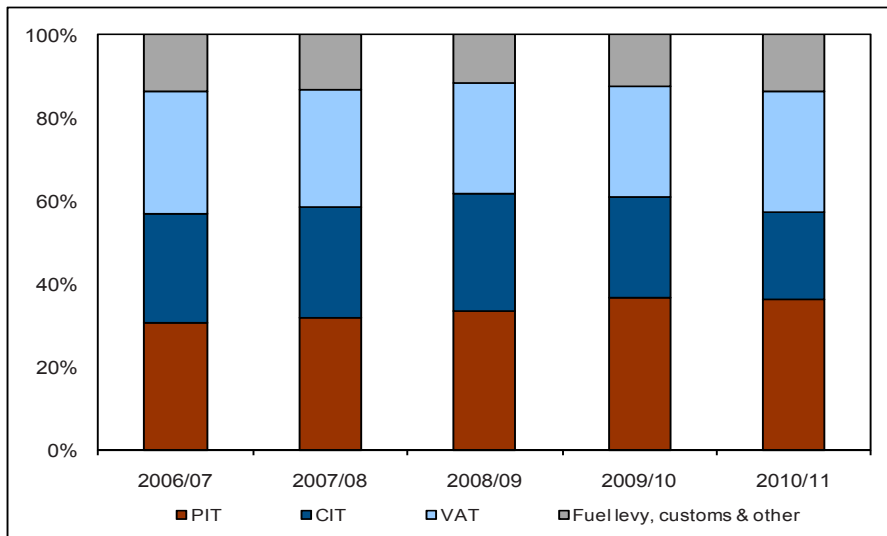
CHAPTER 1: REVENUE COLLECTIONS

This chapter provides a summary of aggregate revenue collection trends for the period 2006/07 to 2010/11.

For the 2010/11 fiscal year:

- The R674.2 billion tax revenue collected was R2 billion higher than the revised estimate set in the February 2011 budget and R75.5 billion (12.6%) higher than the actual collections in 2009/10;
- The tax to GDP ratio has remained at 24.5% and is yet to recover to pre-crisis levels of 27%;
- The cost of revenue collection has decreased from 1.2% to 1.1% and is trending back towards the 1% international benchmark;
- PIT, CIT and VAT remain the largest sources of tax revenue, collectively comprising about 80% of the total tax revenue;
 - The tax register has increased to 10.3 million individual taxpayers, close to 2.1 million companies and 664 267 VAT vendors registered;
- Capital gains tax of R9.1 billion was raised.

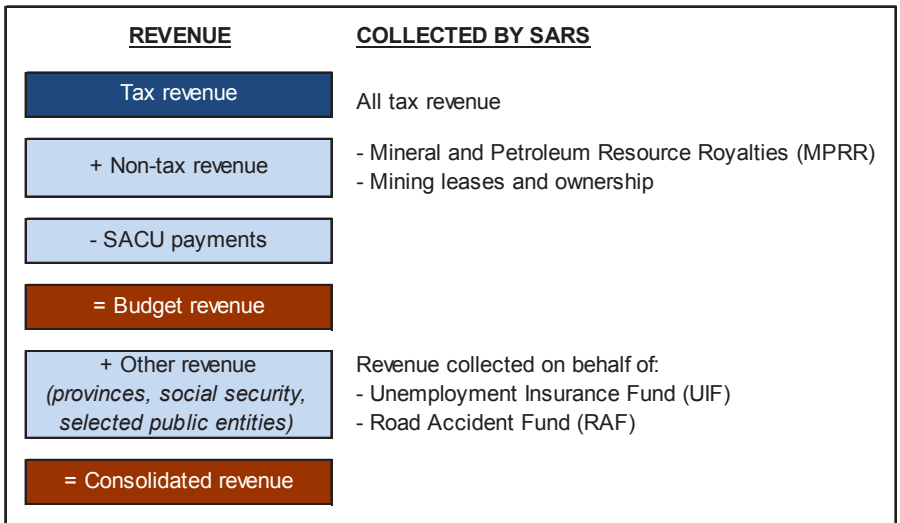
Composition of tax revenue



About 98% of budget revenue and 89% of consolidated revenue is accounted for by tax revenue which is collected by SARS.

R million	Tax revenue	Non-tax revenue	Total tax and non-tax	Less: SACU payments	Budget revenue	Other	Consolidated revenue
2006/07	495 549	10 843	506 392	-25 195	481 197	60 027	541 224
2007/08	572 815	12 693	585 507	-24 713	560 795	65 911	626 705
2008/09	625 100	12 616	637 716	-28 921	608 796	74 202	682 997
2009/10	598 705	8 889	607 594	-27 915	579 679	84 662	664 340
2010/11	674 183	13 460	687 643	-17 906	669 738	88 661	758 398

Illustration of budget revenue and consolidated revenue



In addition to tax revenue SARS also collects:

- Mineral and Petroleum Resource Royalties (MPRR)
- Mining leases and ownership
- Revenue on behalf of the Unemployment Insurance Fund (UIF) and
- Revenue on behalf of the Road Accident Fund (RAF)

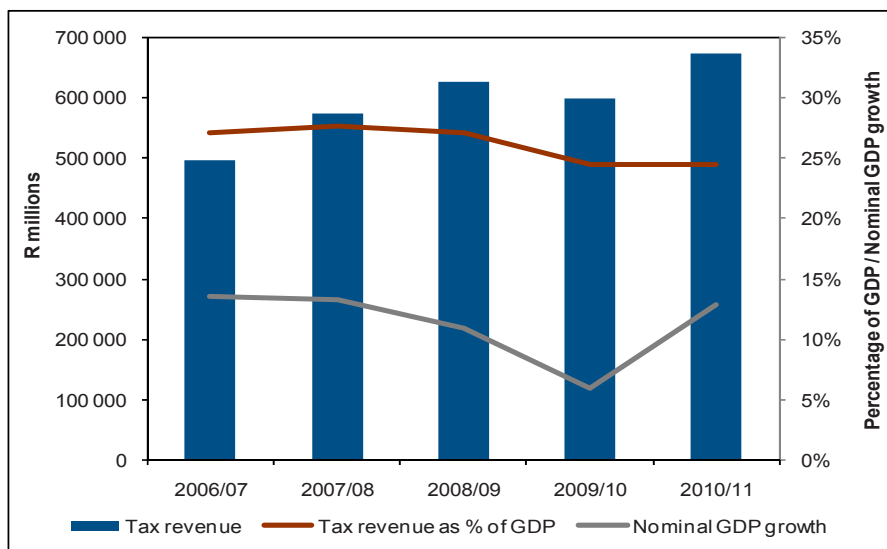
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Tax revenue as a percentage of GDP

R million	Tax revenue	Nominal GDP ¹	Tax revenue as % of GDP
2006/07	495 549	1 832 762	27.0%
2007/08	572 815	2 075 695	27.6%
2008/09	625 100	2 303 553	27.1%
2009/10	598 705	2 440 164	24.5%
2010/11	674 183	2 754 276	24.5%

1. Source: Statistics South Africa; Gross Domestic Product (GDP), 3rd Quarter 2011.

Tax revenue collections, tax revenue as a percentage of GDP and nominal GDP growth



The tax to GDP ratio has remained unchanged at 24.5% from 2009/10 to 2010/11. The ratio has been decreasing over the last several years from a 27.6% high in 2007/08 to the current 24.5% as a result of the global financial crisis when revenue contracted.

The reduction is mainly due to contribution of CIT as a percentage of GDP which declined from 7.2% in 2008/09 to 5.5% in 2009/10 and further to 4.8% in 2010/11.

CHAPTER 2: PERSONAL INCOME TAX (PIT)

This chapter gives an overview of assessed personal income tax revenues of registered individual taxpayers. It also provides information on taxable income by income categories, age, gender and source of income, as well as on fringe benefits, allowances and deductions.

For the 2010 tax year:

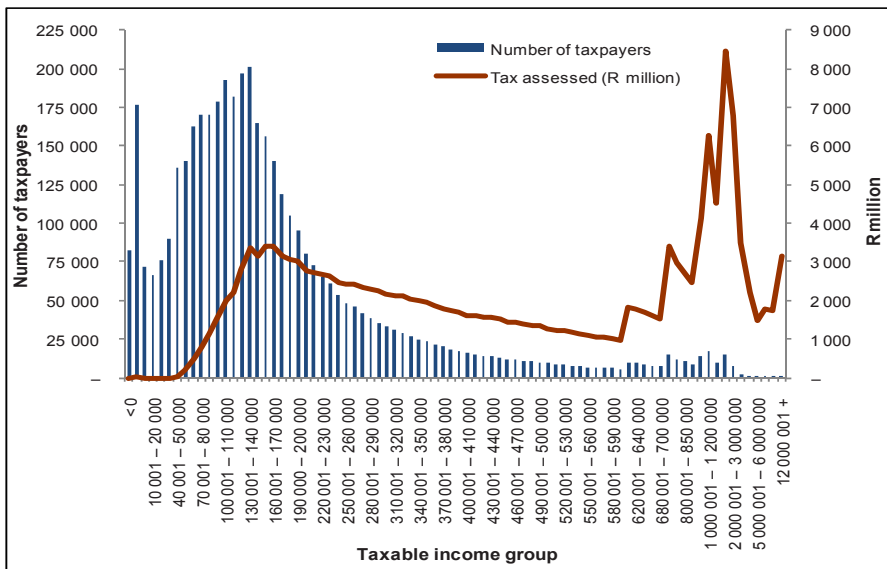
- The top personal income tax bracket increased to R525 000;
- The primary and secondary rebates increased to R9 756 and R5 400 respectively;
- The tax thresholds increased to R54 200 (below age 65) and R84 200 (age 65 and above);
- The PIT register grew by 6.9% to over 5.9 million individual taxpayers.

Individual taxpayers' assessed data for the 2009 tax year show:

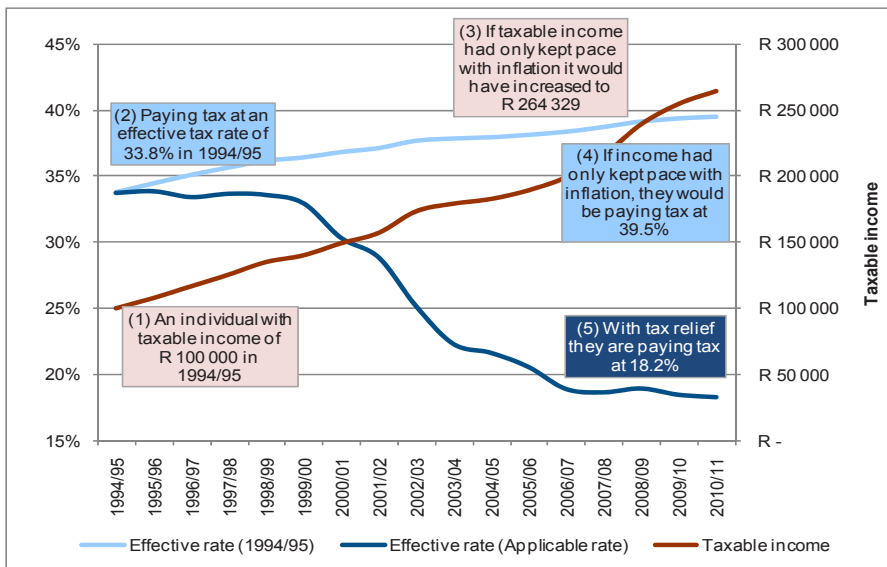
- Of the 4 523 474 taxpayers liable to submit returns, 4 223 017 (93.4%) have been assessed;
- The assessed taxpayers had an aggregate taxable income of R779.9 billion and a tax liability of R168.1 billion, of which:
 - 40.5% were registered in Gauteng;
 - 28.5% were in the 35-44 age group;
 - 56.6% were male;
 - 16% were employed in the Financing sector;
 - 144 217 (3.4%) have business income;
 - 55.5% of taxable income is from salaries, wages & remuneration;
- The largest allowance claimed is the travel allowance;
- Medical aid paid on behalf of employees is the largest fringe benefit;
- Contributions to retirement funding (pension and retirement annuity contributions) constitute the largest deductions.

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Number of assessed individual taxpayers and tax assessed, 2009



The effectiveness of reducing the impact of fiscal drag through tax relief is illustrated in the following example of an individual with taxable income of R100 000 in 1994/95.



CHAPTER 3: COMPANY INCOME TAX (CIT)

This chapter is an overview of company income tax revenues. Information on taxable income by income category, sector and type of business entity is provided.

Companies' assessed data for the 2009 tax year shows:

- About a third of all companies assessed had positive taxable income, a third had taxable income equal to zero and the remaining third had negative taxable income;
- 52.5% of income tax assessed is paid by 243 large companies with taxable income in excess of R200 million; and
- The finance, wholesale trade and retail trade sectors collectively make up 53.6% of the assessed companies and are responsible for close to 40% of tax assessed.

Change in provisional tax payment pattern:

- 3rd provisional payments declined from 22.5% in 2008/09 to 6.9% in 2010/11 as a result of the introduction of 80% rule that requires 80% of tax liability to be settled by the time of 2nd provisional payments or incur significant penalties.

Provisional tax payments by provisional period

Period R million Fiscal year	1st Provisional period	2nd Provisional period	3rd Provisional period	Total
2006/07	39 812	48 703	29 690	118 205
2007/08	49 132	59 650	30 499	139 281
2008/09	56 399	70 147	36 749	163 295
2009/10	45 819	71 776	17 497	135 092
2010/11	53 993	73 620	9 455	137 068
Percentage of total				
2006/07	33.7%	41.2%	25.1%	100.0%
2007/08	35.3%	42.8%	21.9%	100.0%
2008/09	34.5%	43.0%	22.5%	100.0%
2009/10	33.9%	53.1%	13.0%	100.0%
2010/11	39.4%	53.7%	6.9%	100.0%

CHAPTER 4: VALUE-ADDED TAX (VAT)

This chapter gives an overview of value-added tax. It gives a breakdown of VAT receipts and refunds by sector and payment category and for the first time data on input and output VAT.

For the 2010/11 fiscal year:

- Domestic VAT payments increased by 5.1% while VAT refunds declined by 11.7%, the combined effect of the two resulting in growth of 30.6%;
- Growth in domestic VAT payments came mainly from the Financing, Retail trade and Agencies and other services sectors, offset by a decline in the Construction sector;
- VAT refunds declined in the Financing, Agriculture and Mining and quarrying sectors;
- There were 664 267 registered VAT vendors of which 466 050 (70.2%) were active submitting VAT returns;
 - 33.8% of VAT vendors were in the Financing sector;
 - 87.2% of VAT vendors submitted returns on a bi-monthly basis;
 - Although only 8.7% of VAT vendors submitted returns on a monthly basis they contributed 76% of VAT payments and 87.6% of VAT refunds;
 - Companies and close corporations made up 69.2% of VAT vendors;
- 49.6% of VAT vendors had a turnover of R1 million or less.

Number of registered VAT vendors

Number Fiscal year	Registered ¹	Active vendors	Percentage of registered
2007/08	745 487	526 571	70.6%
2008/09	737 885	530 342	71.9%
2009/10	685 523	493 083	71.9%
2010/11	664 267	466 050	70.2%

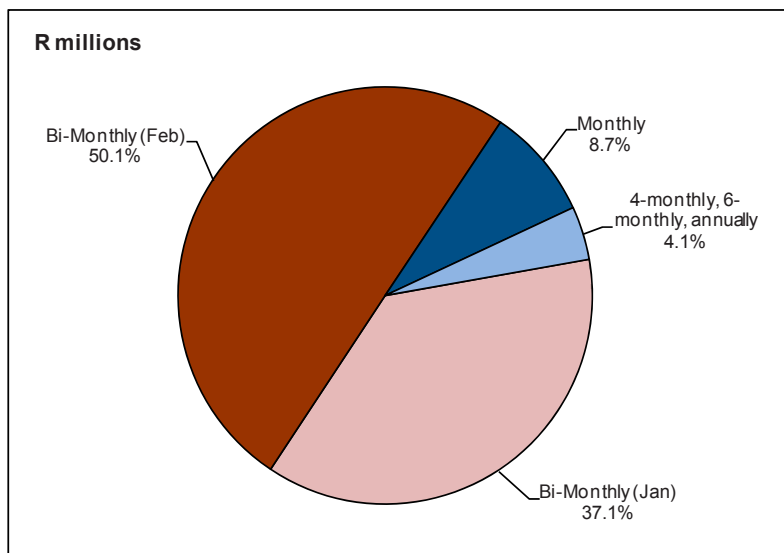
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Relationship between domestic VAT payments and VAT refunds

Fiscal year	For each R1 Domestic VAT payments there is VAT refunds of
2007/08	0.62
2008/09	0.71
2009/10	0.57
2010/11	0.56

The decline in the ratio since 2008/09 is as result of the global financial crisis.

VAT vendors by payment category



Vendors per annualised turnover (payments and refunds)

	2007/08	2008/09	2009/10	2010/11
Number of vendors	526 571	530 342	493 083	466 050
Turnover (R million)	6 903 253	7 841 888	7 093 042	7 567 171
Payments (R million)	172 218	188 001	195 573	205 479
Refunds (R million)	-98 731	-127 814	-115 175	-103 138
Nett VAT	73 487	60 187	80 398	102 341
Nett VAT as % of turnover	1.1%	0.8%	1.1%	1.4%

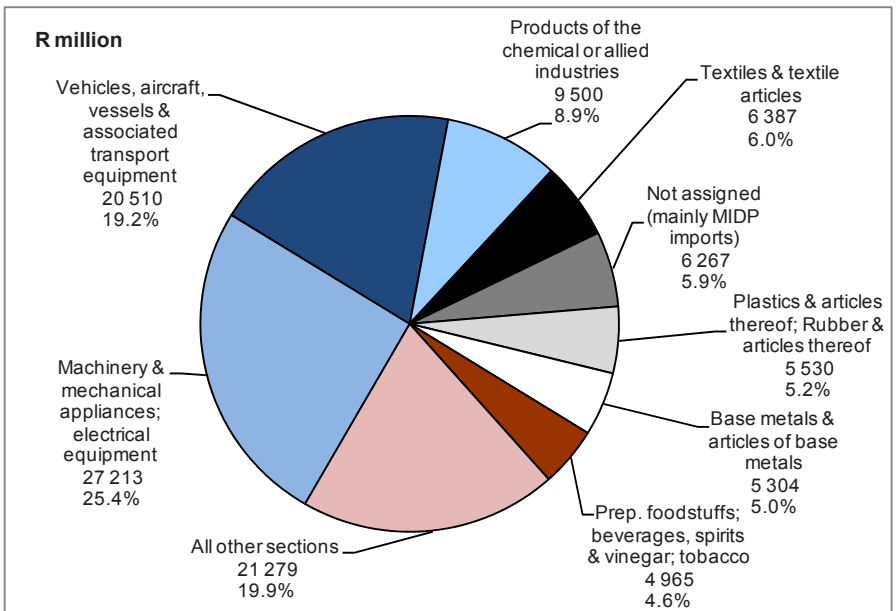
CHAPTER 5: VAT ON IMPORTS AND CUSTOMS DUTIES

This chapter provides information on the customs value of imported goods by product type as well as VAT on imports, customs/imports duty and *ad valorem* excise duty revenues on imported goods.

For the 2010/11 fiscal year:

- The steady recovery from the global financial crisis saw VAT on imports improving by 17.3% against the previous year;
- Machinery and mechanical appliances, electrical equipment contributed the most VAT on imports on goods imported (29.9%);
- Customs duties and *ad valorem* excise duties were mostly derived from vehicles, aircrafts, vessels and associated transport equipment at 30.4% and 62.5% respectively;

VAT on imports, customs and *ad valorem* duties by section, 2010/11



The 2011 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.

The tables in Excel format are available for download on the websites of SARS and the National Treasury

Published by the National Treasury and SARS

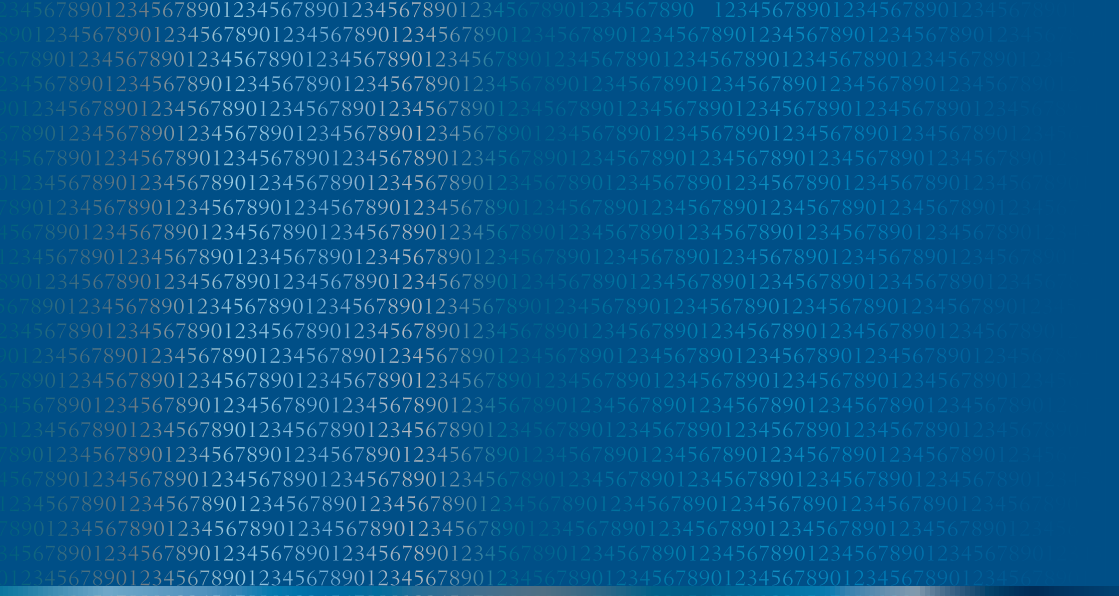
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