Tax Statistics 2024

HIGHLIGHTS

Tax Statistics

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

30 YEARS OF FREEDOM

SARS
South African Revenue Service

The 2024 Tax Statistics publication is compiled with the latest available data from the South AfricanRevenue Service (SARS) and National Treasury. Some of the data may be incomplete and subject to revision in later editions.

Published by National Treasury and SARS
December 2024

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FOREWORD

By building a solid foundation for sustainable tax revenue growth, SARS continues to fund a significant portion of government expenditure, as highlighted in this 17th edition of the Tax Statistics publication.

SARS' mandate is to collect all tax revenue due by ensuring optimal compliance with tax and customs legislation. The unprecedented improvement in tax revenue collection after the enactment of the SARS Act, 1997 (Act 34 of 1997), is hailed as one of the developments that laid the foundation for South Africa's prudent and sustainable fiscal policy trajectory. SARS continues to directly contribute to nation building and sustain the country's democracy, which is now 30 years old.

Over the past three decades, tax collections have increased from R113.8 billion in 1994/95 to R 1 741 billion in 2023/24, at a compound annual growth rate of 9.9% and an average tax-to-GDP ratio of 22.2%. Since 1997/98, SARS has collected over R21.1 trillion for the country's social and economic development. In the 2023/24 fiscal year, SARS collected a record gross amount of R2.155 trillion, and refunded taxes worth R414 billion, the highest ever quantum in refunds compared to R381 billion in the prior year, representing growth of 8.6%.

Tax revenues in 2023/24 were primarily influenced by the slow pace of economic growth. In the 2023/24 fiscal year, there was a sharp decline in CIT revenue, particularly in the mining sector which was mainly as a result of low commodity prices which offset the revenue gains from the elevated commodity prices over the previous two years. In addition, weak global growth, persistent power outages and logistical disruptions further weighed down on the sector. VAT revenue growth also remained subdued as consumers continued to face financial constraints due to high interest rates, which erode household income and expenditure. PIT revenue however remained buoyant supported by a recovery in employment and earnings.

SARS is determined to make it hard and costly for taxpayers who wilfully fail to meet their obligations. The SARS compliance programme contributed R260.5 billion for the 2023/24 fiscal year, which is R53.0 billion or 25.5% more than in the preceding year.

SARS is succeeding in its strategic intent of building a tax and customs system that is based on voluntary compliance and sharpening its capability aimed at detection and deterrence of wilful non-compliance. In the 2023/24 fiscal year, SARS made significant inroads in its litigation strategy by successfully conducting criminal investigations dealing with Income tax, VAT and PAYE cases. This is in line with the strategic objective that seeks to provide certainty and clarity for taxpayers ensuring proper interpretation of tax or Customs laws. In the 2023/24 fiscal year, 119 judgments were handed down of which SARS was successful in 102 cases, resulting in an 86% litigation success rate.

SARS is realising its Vision 2020-2025 of a SMART, modern SARS, that can be trusted and admired by all.

The buoyancy ratio or performance of tax revenue relative to the performance of the economy at 0.7 for the 2023/24 fiscal year evidenced the elastic responsiveness of the tax system of South Africa to short-term fluctuations in economic activities. The tax-to GDP ratio at 24.5% lower than the 24.9% attained in the prior fiscal year.

The improved efficiency in tax revenue collections was facilitated by providing the necessary clarity and platforms to make it easy for taxpayers to comply. The public confidence in SARS is improving. The survey that was conducted, measured an increase from 71.8% in 2021/22 to 77.5% in 2023/24. An increase in the use of data to ensure integrity, drive insight and improve outcomes is evidenced in the 100% of verification cases that were selected through the automated risk assessment functionality. Extensive engagement with stakeholders across tax and customs intermediaries, as well as private and public sectors improved the tax ecosystem.

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 grow the tax base and make it easy and simple for taxpayer and traders to comply with their obligations.

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, and collaborate on platforms such as the International Survey on Revenue Administration (ISORA) and Spatial Economic Activity Data South Africa (SEAD-SA).

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 in SACU are, on importation from one of the member states to another, 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

Dr Duncan Pieterse
Director-General: National Treasury

ABOUT THIS PUBLICATION

The 2024 edition of the Tax Statistics publication provides an overview of tax revenue collections and tax return information for the 2020 to 2023 tax years as well as the 2019/20 to 2023/24 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 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 2019/20 to 2023/24.
- *Chapter 2: Personal Income Tax (PIT)* gives an overview of assessed personal income tax revenues of registered individual taxpayers. In addition, information about taxable income by income group, age, gender, municipality of residence and source of income, as well as fringe benefits, allowances and deductions is provided.

The following tables are new additions in this publication:

  - Table A2.1.1(b): Assessed provisional taxpayers on register: Taxable income and tax assessed by taxable income group, 2020 – 2023
  - Table A2.1.4 (b): Assessed provisional taxpayers on register: Taxable income and tax assessed by age group, 2020 – 2023
  - Table A2.1.5(b): Assessed provisional taxpayers on register: Taxable income and tax assessed by gender, 2020 – 2023

- *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, and tariff 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 and can be accessed on the SARS website https://www.sars.gov.za/legal-counsel/legal-counsel-publications/.

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 in September 2024 and August 2024 respectively. 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 end 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 VAT, as discussed in Chapter 4, was extracted in August 2024.
- Declarations data for import VAT and Customs Duties in this document, mainly discussed in Chapter 5, was extracted as at end of August 2024.
- 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. 2020) while the latter is displayed with a forward slash (e.g. 2023/24).
- 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/sars-tax-and-customs-system/tax-statistics/ and that of National Treasury

https://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.

For the 2023/24 fiscal year...

Revenue collected during the 2023/24 fiscal year:

R1 740.9 BILLION

3.2%

Higher by R54.2 billion against 2022/23

6.4%

Compound annual growth rate (CAGR) achieved for 2019/2020 to 2023/24

Composition of main sources of tax revenue

	PIT	VAT	CIT	OTHER
2019/20	39.0%	25.6%	15.9%	19.5%
2023/24	37.4%	25.7%	18.2%	18.7%

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

The value of payments at banks increased over the past 5 years:

22.1% 2019/20

22.7% 2023/24

eFILING

Branches | 0.2%

eFiling | 77.2%

Banks | 22.7%

PAYMENT CHANNELS

Cost of revenue collection

0.80% 2019/20

0.71% 2023/24

TOTAL TAX RELIEF

provided to taxpayers between 2019/20 and 2023/24

-R3.2 BILLION *

**Negative value indicates tax relief*

CHAPTER 1: REVENUE COLLECTION

- This chapter provides a summary of aggregate revenue collection trends for the period 2019/20 to 2023/24.

In the 2023/24 fiscal year:

- Tax revenue collected amounted to R1 740.9 billion, an annual increase of R54.2 billion (3.2%).
- Personal Income Tax (PIT) remains the largest contributor to tax revenue with a contribution share of 37.4%.
- The tax-to-GDP ratio showed an increase from 23.7% in 2019/20 to 24.5% in 2023/24.
- The cost ratio of revenue collection decreased from 0.80% in 2019/20 to 0.71% in 2023/24.
- The number of individuals registered for Income Tax increased to 27.1 million in 2023/24 from 25.9 million in 2022/23, representing annual growth of 4.3%.

  On 31 March 2024, 916 425 (25.1%) of the 3.6 million registered companies were assessed for the 2023 tax year and 488 118 (50.9%) of the 959 000 registered VAT vendors were active.

The South African Revenue Service (SARS) is the nation's tax collecting authority. SARS was established in terms of the South African Revenue Service Act 34 of 1997 to function as an autonomous agency and oversee the administration of an efficient and effective revenue collection system for South Africa, thereby, enabling government to build a capable ethical state that fosters sustainable economic growth and social development that serves the wellbeing of all South Africans.

SARS exists to serve the HIGHER PURPOSE of enabling Government to build a capable state that fosters sustainable economic growth and social development that serves the wellbeing of all South Africans.

The following Acts are examples of the primary legislation SARS administers:

- Income Tax Act, 1962
- Customs and Excise Act, 1964
- Value-Added Tax Act, 1991
- Tax Administration Act, 2011
- Employment Tax Incentive Act, 2013

The SARS Act, 1997, enables SARS to:

- Collect all revenue due.
- Ensure optimal compliance with tax and customs legislation.
- Provide a customs service that optimises revenue collection, protects our borders, and facilitates legitimate trade.

To effectively deliver on the SARS mandate, which is to collect tax revenues, ensure a culture of taxpayer compliance and facilitate trade across our borders, SARS has nine strategic objectives to develop and administer a tax and customs system of voluntary compliance, and where appropriate, enforce responsibility decisively.

The table below illustrates the change in the SARS tax register over the period 31 March 2020 to 31 March 2024.

Table 1.1: Tax register, 31 March 2019 – 31 March 2024

Number as at	Individuals[1, 2]	Companies (CIT)[1, 3]	Trusts[1]	Employers[1] (PAYE)	VAT Vendors[1]	Importers	Exporters
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
31 Mar 2022	24 832 105	3 532 646	373 084	632 599	941 406	332 970	299 793
31 Mar 2023	25 944 562	3 926 252	379 280	643 370	953 665	347 754	310 990
31 Mar 2024	27 051 828	3 644 147	389 302	643 948	959 000	355 846	317 574
Percentage year-on-year growth							
31 Mar 2021	4.1%	22.1%	1.0%	6.2%	5.9%	1.0%	0.8%
31 Mar 2022	4.1%	13.5%	1.5%	2.3%	6.9%	-0.1%	0.0%
31 Mar 2023	4.5%	11.1%	1.7%	1.7%	1.3%	4.4%	3.7%
31 Mar 2024	4.3%	-7.2%	2.6%	0.1%	0.6%	2.3%	2.1%

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

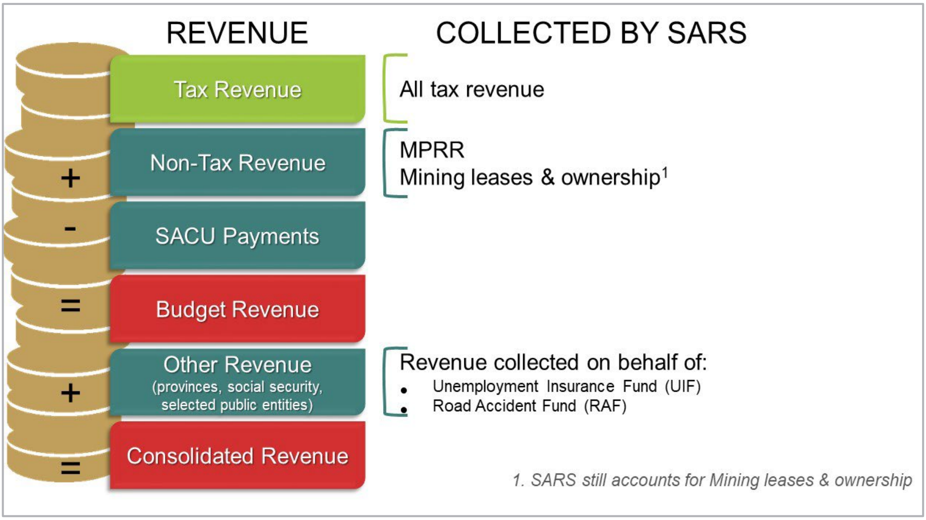
2. The tax year for individuals starts on 1 March and ends at the end of February the following year.

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

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, selected public entities, and social-security contributions as illustrated in the figure below.

Illustration of budget revenue and consolidated revenue



In addition to tax revenue, SARS collects Mineral and Petroleum Resources Royalties and Mining Leases and Ownership, which are included in non-tax revenue. SARS also collects revenue on behalf of the Road Accident Fund and the Unemployment Insurance Fund.

Total budget revenue and consolidated revenue, 2019/20 - 2023/24

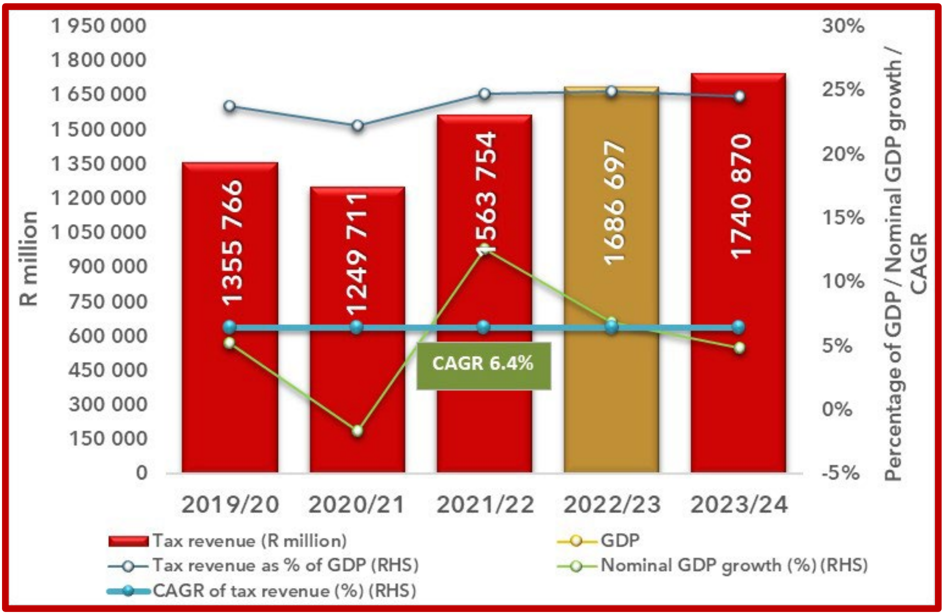
R million	Tax revenue	% of budget revenue	% of consolidated revenue	Non-tax revenue[1]	Total tax and non-tax revenue	Less: SACU payments	Budget revenue	Other[2]	Consolidated revenue	Y/Y growth
2019/20	1 355 766	100.7%	89.2%	40 384	**1 396 150**	-50 280	**1 345 870**	173 412	**1 519 281**	5.3%
2020/21	1 249 711	100.9%	88.6%	52 053	**1 301 765**	-63 395	**1 238 369**	171 548	**1 409 918**	-7.8%
2021/22	1 563 754	100.0%	89.3%	46 485	**1 610 239**	-45 966	**1 564 273**	187 385	**1 751 657**	25.1%
2022/23	1 686 697	99.3%	88.9%	56 205	**1 742 902**	-43 683	**1 699 219**	197 189	**1 896 407**	7.9%
2023/24	1 740 870	101.1%	90.2%	61 423	**1 802 293**	-79 811	**1 722 482**	208 587	**1 931 069**	3.2%

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 measures the overall tax burden for a given period. The share of a country’s output that is collected by the government through taxes — the tax-to-GDP ratio — is an important indicator to measure the tax effort of government. The International Monetary Fund, World Bank, the

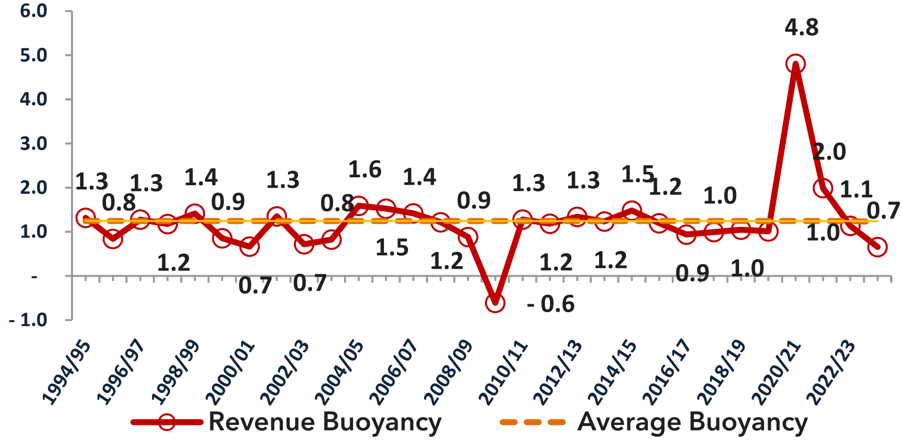
Organisation for Economic Co-operation and Development, and the African Tax Administration Forum use this ratio to analyse and compare the tax systems and economic performance of countries. South Africa's tax-to-GDP ratio for the 2023/24 fiscal year was 24.5%, down from 24.9% in 2022/23, driven by slow growth in tax revenue.

Tax revenue collections, GDP and CAGR, 2019/20 - 2023/24



An important indicator of tax-revenue performance, tax buoyancy measures the sensitivity of tax revenue to changes in economic growth. Buoyancy of tax revenue reflects the effect of both automatic stabilisers and 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 outcome of the stage of the business cycle, tax-policy changes, and efficiency of tax administration.

Revenue Buoyancy, 1994/95 - 2023/24

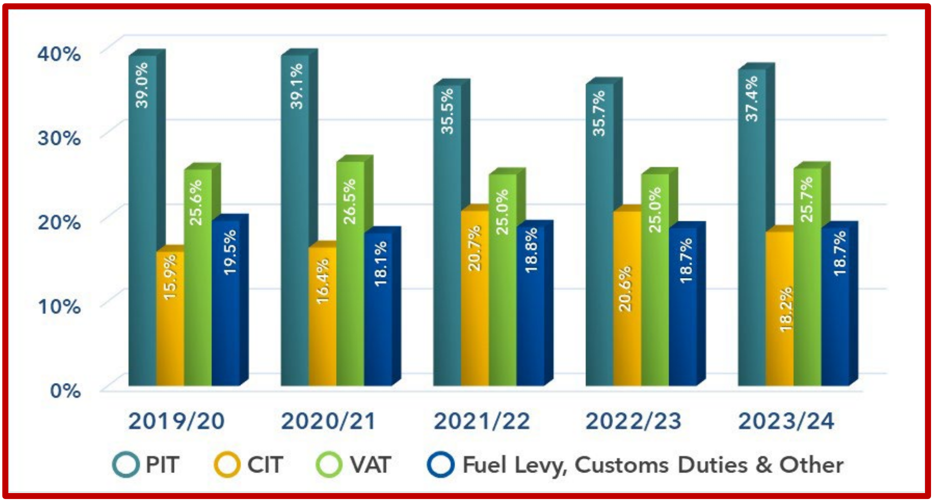


The long-term average buoyancy ratio of total tax revenue to GDP since 1994/95 is 1.2, indicating that the tax system has generally been responsive to changes in economic activity over the years. However, in 2023/24, the buoyancy ratio fell to 0.7, down from 1.1 the previous year, and below the long-term average. The lower buoyancy ratio indicates that tax-revenue growth was less than the rate of economic growth, mainly owing to sluggish economic conditions. Lower commodity prices resulted in a sharp decline in CIT revenue, particularly in the mining sector. Additionally, weak global growth, persistent power outages, and logistical disruptions further depressed revenue collection. VAT revenue growth was also subdued as consumers continued to face constraints due to high interest rates, which erode household income and expenditure.

PIT, CIT, and VAT accounted for 81.3% of the total tax revenue in 2023/24. The Fuel Levy, together with specific excise and customs duties, accounted for 12.5%, whereas other taxes make up the remaining 6.2%.

Over the period 2019/20 to 2022/23, the contribution by PIT to total tax revenue has decreased from 39.0% to 35.7% and, in the year under review, PIT contribution to total tax revenue has increased to 37.4%. The contribution of CIT to total tax revenue has increased over the period 2019/20 to 2022/23, following which it decreased to 18.2% in 2023/24. (See *Figure below).* The contribution by VAT has increased from 25.6% in 2019/20 to 25.7% in 2023/24.

Relative composition of main sources of tax revenue, 2019/20 - 2023/24



The Health Promotion Levy was implemented on 1 April 2018. It is a levy imposed on sugary beverages to support the Department of Health's objective to decrease the incidence of diabetes, obesity, and other lifestyle-related diseases in South Africa. Levy collections are shown in the table below.

Health Promotion levy, 2019/20 -2023/24

R million	Health promotion levy[1]	Health promotion levy on imports	Total Health promotion levy
2019/20	2446	67	**2 513**
2020/21	2046	67	**2 114**
2021/22	2182	78	**2 260**
2022/23	2195	110	**2 305**
2023/24	2245	115	**2 359**
Percentage of total			
2019/20	97.3%	2.7%	**100.0%**
2020/21	96.8%	3.2%	**100.0%**
2021/22	96.6%	3.4%	**100.0%**
2022/23	95.2%	4.8%	**100.0%**
2023/24	95.1%	4.9%	**100.0%**
Percentage change year-on-year			
2020/21	-16.4%	1.2%	**-15.9%**
2021/22	6.7%	15.0%	**6.9%**
2022/23	0.6%	42.2%	**2.0%**
2023/24	2.3%	4.1%	**2.4%**

1. *Levy on locally manufactured products*

The Health Promotion Levy applies to beverages with more than 4 g of sugar per 100 ml. The rate is fixed at 2.1 cent per gram of the sugar content that exceeds 4 grams per 100ml. The first 4 grams per 100ml are levy free. Sugar content means both the intrinsic and added sugar and other sweetening matter. The levy is payable on sugary beverages manufactured in, or imported into, South Africa and is payable by the manufacturers of such beverages in South Africa. The Health Promotion Levy 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. Under this levy:

- Identified imported products are taxed when they are cleared for home consumption.

- Locally manufactured products are taxed at source.

SARS is developing a digital-administration platform — embedded in data science, artificial intelligence, and enabling technologies — to foster trust, promote efficiency, and improve transparency.A benchmark for an efficient tax administration is if it can reduce costs while providing better services to taxpayers. To measure efficiency, the cost of tax-revenue collection can be measured against revenue 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 the course of a fiscal year.

This ratio does not include the non-tax revenue and social-security contributions collected by SARS such as Mineral and Petroleum Resources Royalties, Unemployment Insurance Fund contributions, and Road Accident Fund levies. If these amounts are to be included in the cost of revenue collection, the cost-to-revenue ratio will be less.

SARS's cost-to-tax-revenue ratio is less than the international benchmark of 1.0% for developing economies. During the past five years, the ratio has ranged from 0.84% in 2019/20 to 0.71% in 2023/24. A downward trend can constitute evidence of a reduction in relative costs (i.e. improved efficiency) or improved tax compliance (i.e. improved effectiveness).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.

Cost of revenue collection, 2019/20 - 2023/24

R million	Tax revenue collected	Operating costs[1]	Cost of collection[2]
2019/20	1 355 766	10 841	*0.80%*
2020/21	1 249 711	10 666	*0.85%*
2021/22	1 563 754	11 521	*0.74%*
2022/23	1 686 697	11 990	*0.71%*
2023/24	1 740 870	12 400	*0.71%*

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 recognises that providing an easily accessible, professional, and efficient service promotes voluntary compliance. Its service must enable taxpayers and traders, throughout their lifecycle, to meet their obligations easily, cost-effectively, and conveniently. SARS works to provide equitable access to service channels, and a seamless service from registration, filing, declaration, payment, and deregistration, using mainly its online self-service channels. Among the new platforms introduced during this period, were the Self-Service Terminals. These machines were deployed to migrate even more taxpayers to digital platforms.

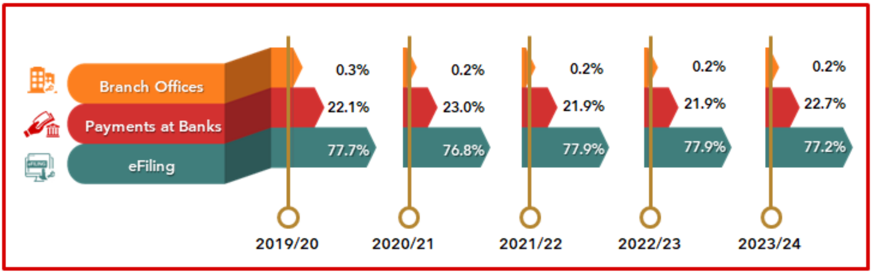
Current payment methods other than branch payments are:

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

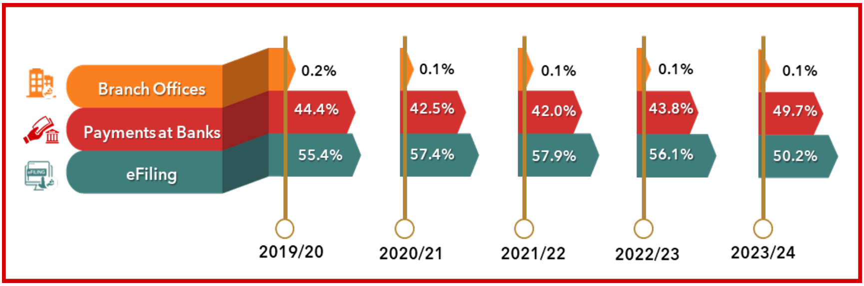
The eFiling payments channel facilitated the majority of payments received by SARS and accounted for 77.2% of the total value of all taxpayer payments in 2023/24.

The composition of the main channels of payments is shown below.

Composition of main channels of payment (by value), 2019/20 - 2023/24



Composition of main channels of payment (by number), 2019/20 - 2023/24



For the 2023 tax year...

25.9 million
Registered Individual Taxpayers

Expected to submit returns
7.5 million

Assessed taxpayers
6.6 million

87.9%
Assessed

47.4%
Females assessed

52.6%
Males assessed

Aggregated taxable income
R2.3
trillion

Tax Liability
R499.9
billion

44.5%
PAYE payments received from the financial intermediation, insurance sector

15.9%
...owed SARS some tax.

13.5%
...had a zero assessment.

70.6%
...received refunds.

...of assessed individual taxpayers

35.5%
...were registered in Gauteng.

26.7%
...fell in the **35-44** age bracket.

Municipalities

Statistics available on assessed tax for individual taxpayers for 213 local and metropolitan municipalities, using demarcation borders as available in June 2017.

Allowances and deductions:

LARGEST ALLOWANCE
Travel at **R29.0bn**
(18.0% of total allowances assessed)

LARGEST DEDUCTION
Contributions to pension, provident and retirement annuity funds at
R244.2bn
(84.4% of all deductions granted)

LARGEST FRINGE BENEFIT
Retirement fund contributions paid on behalf of employees at **R137.2bn**
(57.6% of the total fringe benefits assessed)

Cohort across 10 consecutive years...

2014
5 991 934
Taxpayers assessed

2023
5 989 787
Taxpayers assessed

3 041 050
Taxpayers assessed for all tax years: 2014 - 2023

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.

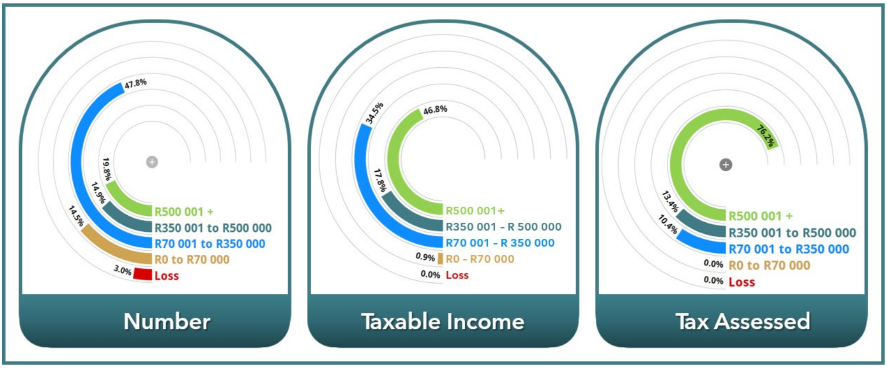
The Budget presented in February 2022 included:

- Increases of 16.8% in the primary rebate, 16.7% in the secondary and 16.4% in the tertiary rebates to R16 425, R9 000 and R2 997 respectively from the 2020 to the 2023 tax years. This increased the minimum tax thresholds for taxpayers below the age of 65 years to R91 250, for those 65 to 74 years to R141 250 and 75 years and older to R157 900.

SARS received more than 19.2 million employees' tax certificates (IRP5s and IT3(a)s) for the 2023 tax year that could be linked to nearly 13.8 million individuals.

To track changes in the taxable income and tax liability of taxpayers over a ten-year tax period, SARS analysed the taxable income and assessed tax of all taxpayers who have been assessed every year since 2014. For the 2014 tax year, SARS assessed 5 991 934 taxpayers. Of these, 3 041 050 taxpayers (52.4%) had been assessed for each of the subsequent nine years (2015 to 2023).

Distribution of assessed individual taxpayers in taxable income group, 2023



The average tax rate across all taxpayers, as indicated by the tax assessed as a percentage of taxable income, decreased from 22.1% in the 2020 tax year to 21.2% in the 2021 tax year, increased to 21.5% in the 2022 tax year and decreased again to 21.3% for the 2023 tax year. The extent of tax relief, including “fiscal drag / bracket creep relief”[1], is illustrated in the following example.

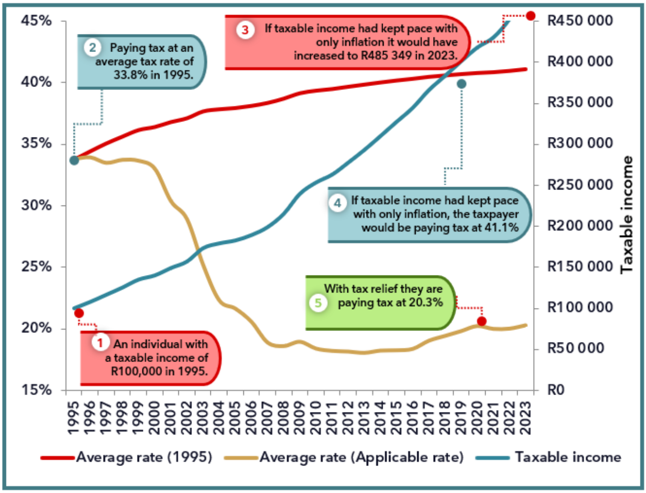
[1] Fiscal drag relief is the relief granted to taxpayers to neutralise the impact of inflation on effective tax rates.

Example of tax relief granted to an individual with taxable income of R100 000 in 1995

(1.) An individual with taxable income of R100 000 in 1995 was paying tax at (2.) an average tax rate of 33.8%.

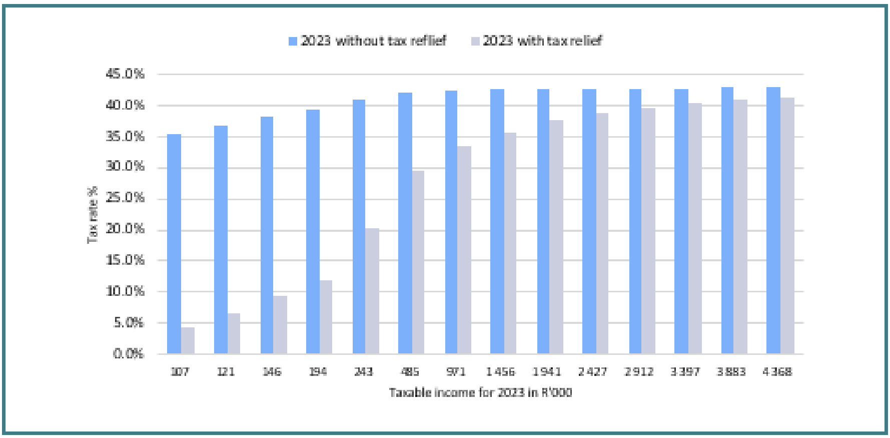
(3.) If the taxpayer's taxable income had only kept pace with inflation, (4.) the average tax rate would have increased to 41.1% in 2023 if there had been no adjustments made to the income tax brackets.

The impact of the actual income tax adjustments from 1995 for the same example (5.) lowers the average tax rate to only 20.3%.



Tax relief is much more prominent in the lower income groups. Lower income groups receive proportionally greater tax relief when the tax thresholds are raised.

Tax relief granted to individuals, 2023



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 R289.2 billion allowed as deductions for the 2023 tax year was granted to taxpayers in the income bracket that is higher than R500 000. Of their income, 11.9% was granted as a deduction.

Assessed taxpayers by income group, deductions granted & taxable income, 2023

Tax year	2023			
Income group	Number of taxpayers	Income before deductions (R million)	Deductions allowed (R million)	Taxable income (R million)
<= 0	197 603	-24 206	21	-24 227
1 – 70 000	921 670	31 409	894	30 515
70 001 – 350 000	2 881 383	557 345	42 318	515 027
350 001 – 500 000	983 912	414 477	49 163	365 315
500 000 +	1 660 182	1 655 583	196 802	1 458 781
Total	**6 644 750**	**2 634 608**	**289 198**	**2 345 410**
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	-122 499	106	-122 605	0.1%
1 – 70 000	34 078	970	33 108	2.8%
70 001 – 350 000	193 430	14 687	178 743	7.6%
350 001 – 500 000	421 255	49 967	371 288	11.9%
500 000 +	997 230	118 543	878 687	11.9%
Total	**396 495**	**43 523**	**352 972**	**11.0%**

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.

The number of taxpayers assessed increased by 1.0% for the 2020 tax year, increased by 1.9% in the 2022 tax year and by 4.1% in the 2023 tax year. These increases were partly because the auto-assessment helped to finalise cases quicker and individuals who are not required to file are also auto assessed. The number for the 2023 tax year is expected to increase as assessments are finalised.

Ceasing to be a South African tax resident, resignations, deaths, and similar changes to the status of individuals can imply permanent erosion or changes in the tax base. 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.

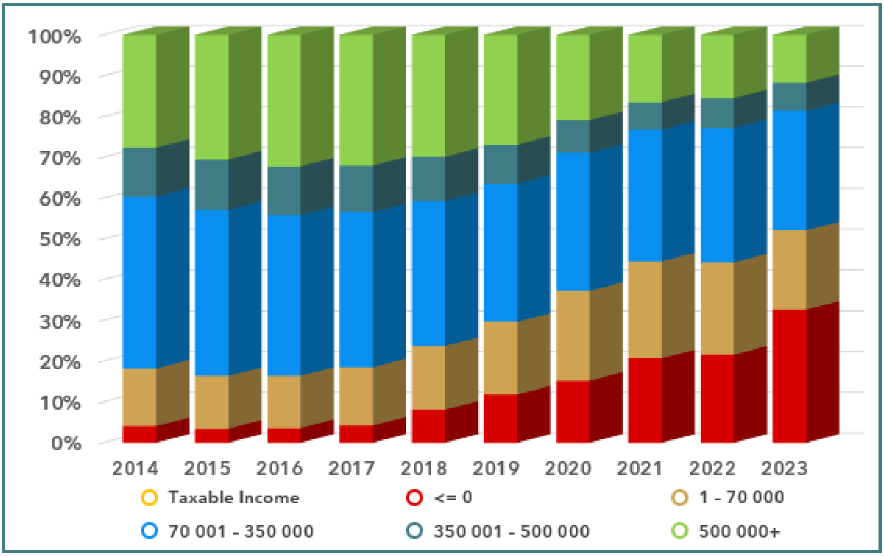
Number of individual taxpayers, 2020 – 2023

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
2020	6 201 850	2 041 728	329 213	450 892	72 703	22.1%
2021	6 266 076	1 989 188	317 454	422 656	67 452	21.2%
2022	6 385 467	2 163 637	338 838	466 198	73 009	21.5%
2023	6 644 750	2 345 410	352 972	499 951	75 240	21.3%

From the 2017 to 2023 tax year and according to the tax resident status indicator on the ITR12 tax return, more than 38 000 taxpayers indicated that they ceased to be a tax resident of South Africa.

The graph below shows the taxable income and tax liability of these individual taxpayers over a ten-year tax period, who have been assessed since the 2014 tax year.

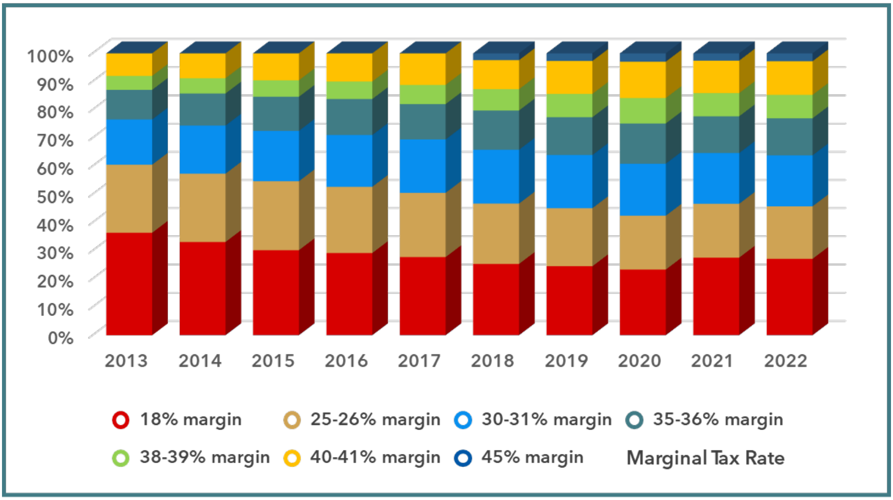
Proportion by taxable income for individuals with change in residence status as indicated by taxpayer, 2014 - 2023



To track the fluctuations in taxable income of taxpayers over a 10 year tax period, all taxpayers who were assessed every year since 2014, were isolated and their taxable income and assessed tax analysed.

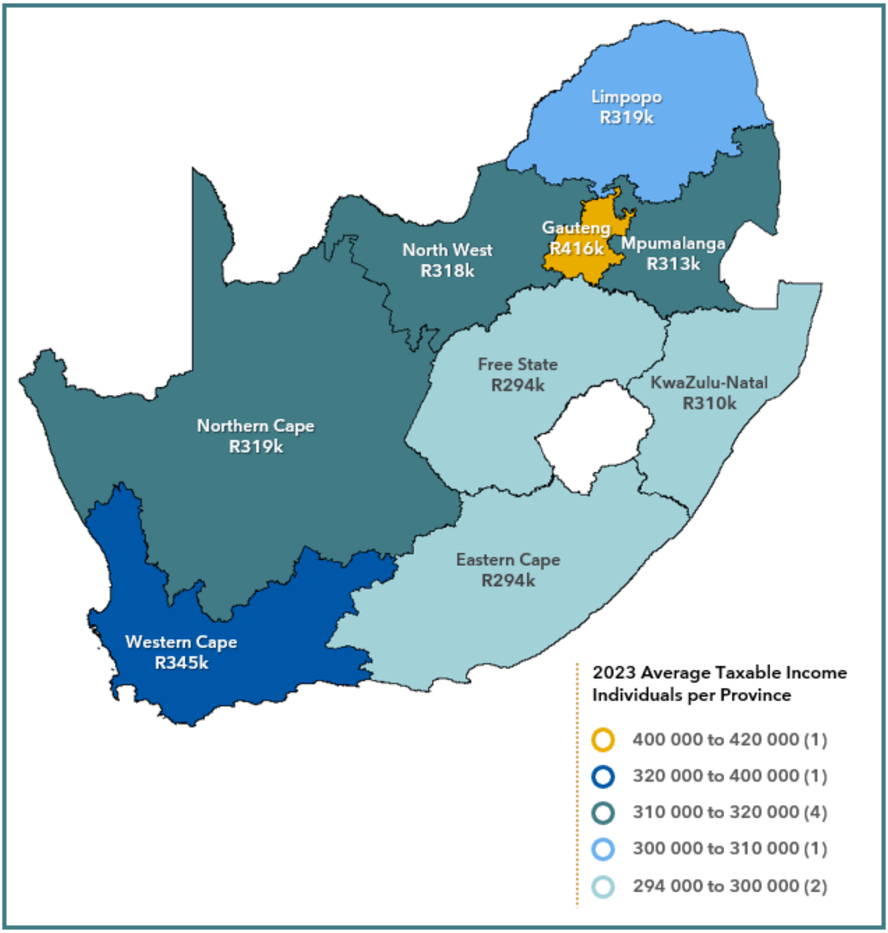
The graph below shows how taxpayers shifted across the tax brackets due to increases in taxable income.

Proportion of the 3.0 million 10 year taxpayers by marginal tax rates, 2014 - 2023



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 R415 620 while the Eastern Cape indicates the lowest average taxable income at R294 056.

Average taxable income per assessed taxpayer by province (based on residential address), 2023



For the 2023/24 fiscal year…

CIT is the 3rd largest contributor to tax revenue

2022/23	2023/24
20.6%	18.2%

Total CIT Provisional Tax collected in 2022

1st Provisional Period	2nd Provisional Period	3rd Provisional Period
41.2%	56.5%	2.4%

Over 3.6 million companies on register as at March 2024

2022 tax year

1 166 692 …were assessed (majority of remainder inactive or dormant)

172 611 …were assessed as Small Business Corporations (using graduated tax rates as opposed to a fixed rate)

Contributions by financial year-end in tax year 2022

December	June	February
39.1%	25.2%	20.1%

Taxable income for assessed companies

- 24.7% …reported a NEGATIVE taxable income.
- 54.6% …reported a ZERO taxable income.
- 20.7% …reported a POSITIVE taxable income.

Sector contributions of companies with assessed losses

Sector	Contribution
Financing, Insurance, Real Estate & Business Services	12.7%
Construction Sector	9.0%
Agriculture, Forestry and Fishing	5.7%

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).

Analyses of Company Income Tax (CIT) returns assessed for the 2022 tax year and CIT collections for the 2023/24 fiscal year show that:

- At 18.2%, CIT remained the third-largest contributor to total tax revenue collected in the 2023/24 fiscal year. This outcome exceeds the 15.9% and 16.4% share ratios for the 2019/20 and 2020/21 financial years respectively. However, CIT revenue was lower than the 20.7% and 20.6% achieved in the 2021/22 and 2022/23 financial years. The contribution ratio of CIT to total tax revenue is still well below the peak of 26.7% achieved before the 2009/10 global financial crisis.
- CIT collections for the 2023/24 financial year fell below those realised in the 2022/23 financial year by R30.2 billion (8.9%). The year-on-year contraction was driven mainly by the depressed Mining and Quarrying, Manufacturing and Transport sectors.
- These sectors were harmed by weakening commodity prices for Platinum Group Metals (PGMs), Iron ore and Coal. Numerous economic uncertainties stemming from protracted power cuts and South Africa’s poor port and rail infrastructure exacerbated this situation. These challenges crippled the already fragile economy and dampened output and demand. The Mining sectors’ difficulties arose despite the elevated exchange rate throughout the 2023/24 fiscal year.
- The Mining and Quarrying sector’s negative trajectory started in the 2022/23 fiscal year and continued even in the 2023/24 fiscal year. The

dire performance was due to softening commodity prices for PGMs, Iron Ore and Coal; a decline in total value of mineral sales for most of the 2023 calendar year; and mining input costs rising year-on-year by 6.5% owing to power cuts and poor port and rail infrastructure. This underperformance occurred despite the high exchange rate.

- The Mining and Quarrying sector continued also to suffer from a sharp decline as Platinum demand from China declined because of shifts in motor vehicle production from internal combustion engines to electric variants. The changing demand patterns in global automobile markets are making it harder to trade Platinum Group Metals (PGMs) such as Platinum, Palladium, and Rhodium.
- The Manufacturing sector's poor performance was gauged by ABSA PMI, an important indicator of factory sector activity, which was under pressure after slipping into recession for most of the 2023 calendar year until the first calendar quarter of 2024. Power cuts, weak domestic demand and adverse geopolitical events harmed Manufacturing.
- The contraction of the Transport sector was driven mainly by record power cuts and the logistics crisis at its rail and port operator. These structural constraints strangled business activity and slowed growth in Africa's most industrialised economy. Transport logistics have negatively impacted the economy and the viability of many businesses. Network outages caused by power cuts have also affected Telecommunications, a sub-sector of the Transport sector.
- More than 3.6 million companies were registered for CIT on 31 March 2024, a contraction of 282 105 (6.7%) versus 31 March 2023. Of these companies, SARS expected 1 166 692 companies to submit income tax returns for the 2022 tax year, of which 83.0% filed and received assessments in the same tax year.
- Of the 1 166 692 companies assessed by 31 August 2024 for the 2022 tax year, 20.7% declared a positive taxable income, 54.6% had taxable income equal to zero, and the remaining 24.7% reported an assessed loss.

- The concentrated nature of the South African economy is evident: only 549 large companies (0.2% of the companies with positive taxable income) each had taxable income of more than R200 million and were liable for 66.5% of the CIT assessed.
- The Financial Intermediation, Insurance, Real-estate and Business Services sector accounted for 266 262 (22.8%) of the assessed companies and was liable for 32.8% of the CIT assessed, contributing the most among all the sectors.
- Since 31 August 2024, of the 1 166 692 companies assessed in respect of the 2022 tax year, 172 611 (14.8%) were assessed as Small Business Corporations (SBCs), taxed at the applicable graduated income tax rates. The remainder was taxed at either the fixed company tax rate of 27%, or at the graduated income tax rates for micro-businesses that elected to pay only Turnover Tax.
- CIT collections improved after 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, as well as a more rigorous application of paragraph 19(3) of the Fourth Schedule to the Income Tax Act. The third provisional tax payments decreased from 12.9% of the total provisional tax collections in 2009/10 to 2.6% in the 2023/24 financial year.
- During 2022/23 financial year, 57.4% of the tax paid related to the 2022 tax year, 41.7% related to the 2023 tax year and 1.0% related to earlier tax years.

POST COVID-19 TAX MEASURES

- Despite the COVID-19 pandemic necessitating a downward revision of the estimated tax revenue for the 2020/21 fiscal year, the dire impact on the economy did not persist. CIT collections rebounded in the 2021/22 fiscal year. This recovery was driven mainly by Mining and

Quarrying; Financial Intermediation, Insurance, Real-estate and Business Services and Manufacturing sectors. However, the Mining and Quarrying sector's positive trend retreated from the 2022/23 fiscal year and sharply reversed in the 2023/24 fiscal year, with the Manufacturing sector following suit.

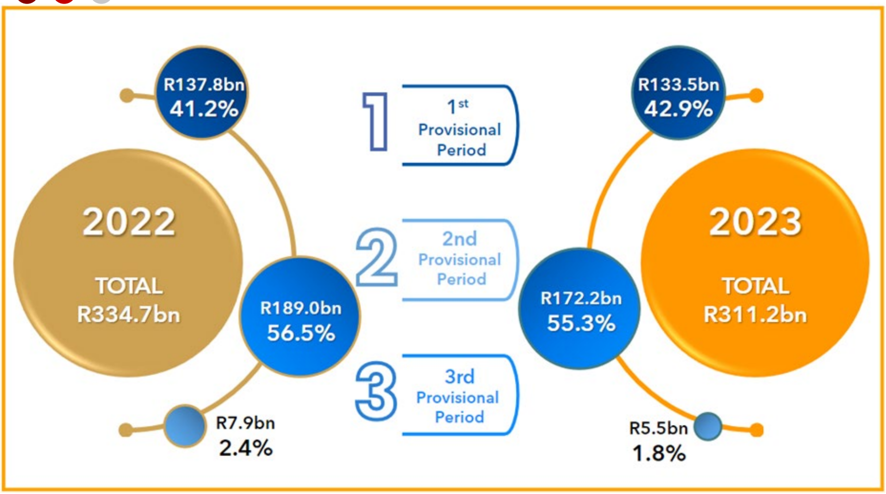
- The Mining and Quarrying sector continued throughout the 2021/22 fiscal year to be resilient and remained on a positive trajectory. This was due to the robust global performance of commodity prices, particularly for the PGMs, Iron Ore and Coal. However, during the fiscal years 2022/23 and 2023/24, the Mining and Quarrying industry was harmed by weakened commodity prices and decreased demand for commodities. The softening commodity prices for PGMs, Iron Ore and Coal; a decline in the total value of mineral sales for most of the 2023 calendar year; and mining input costs rising year-on-year by 6.5% were the main drivers of the downturn in this sector. This decline occurred despite the high exchange rate during 2023 and for most of the 2024 calendar years.
- The Manufacturing sector contracted in the 2023/24 fiscal year because of supply-side constraints that increased production costs and harmed profitability. Increased global inflation rates and interest rates resulted in tighter global financial conditions and lower profitability margins.
- The Financial Intermediation, Insurance, Real-estate and Business Services sector recovered as pandemic lockdown measures eased, and has continued on a positive trajectory. Profitability was buoyed by growth in the South African economy, despite high interest rates. Furthermore, this growth is in line with Gross Operating Surplus (GOS) growth of 5.2% in Q1-2024
- South Africa’s GDP recorded a growth rate of 0.7% in 2023, which was lower than the adjusted growth rates of 1.9% and 5.0% in 2022 and 2021 calendar years, respectively. The 2023/24 financial year saw a contraction of R30.8 billion (8.9%) in CIT collections, which marked a

significant decline since 2021/22's growth of R119.1 billion (58.3%) and 2022/23's growth of R24.2 billion (7.5%).

Provisional tax payments by provisional period by tax year, 2020 - 2023

Period R million Tax year	1st Provisional period	Percentage change	2nd Provisional period	Percentage change	3rd Provisional period	Percentage change	Total
2020	84,669	-12.8%	113,804	-3.9%	8,472	68.0%	**206,945**
2021	112,756	33.2%	171,338	50.6%	7,665	-9.5%	**291,759**
2022	137,829	22.2%	189,021	10.3%	7,886	2.9%	**334,736**
2023	133,466	-3.2%	172,228	-8.9%	5,475	-30.6%	**311,169**
Percentage of total							
2020	40.9%		55.0%		4.1%		**100.0%**
2021	38.6%		58.7%		2.6%		**100.0%**
2022	41.2%		56.5%		2.4%		**100.0%**
2023	42.9%		55.3%		1.8%		**100.0%**

Provisional tax payments by provisional period 2022 and 2023



The value of provisional tax collections for previous tax years (2020-2022) was more than 98.0% of the value of the final liability, as reflected in the issued assessments. Provisional tax collections for a specific tax year are received by SARS well before assessments for a specific tax year are raised. Provisional tax collections enable extrapolations of tax collections and lead to timelier analyses.

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

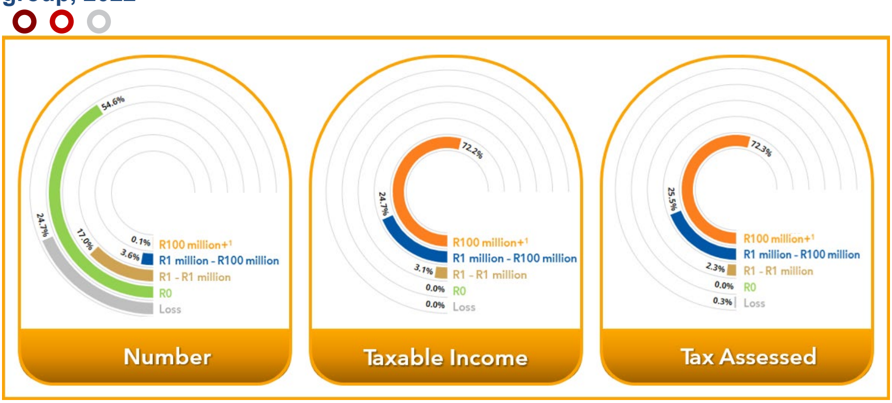
Provisional tax payments and tax assessed by tax year, 2020 - 2023

R million Tax year	Provisional tax payments	Tax assessed	Tax assessed as % of provisional tax payments
2020	206,945	209,053	101.0%
2021	291,759	289,522	99.2%
2022	334,736	328,001	98.0%
2023	311,169	182,763	58.7%

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 that 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 2022 tax year.

Assessed companies, taxable income and tax assessed by taxable income group, 2022

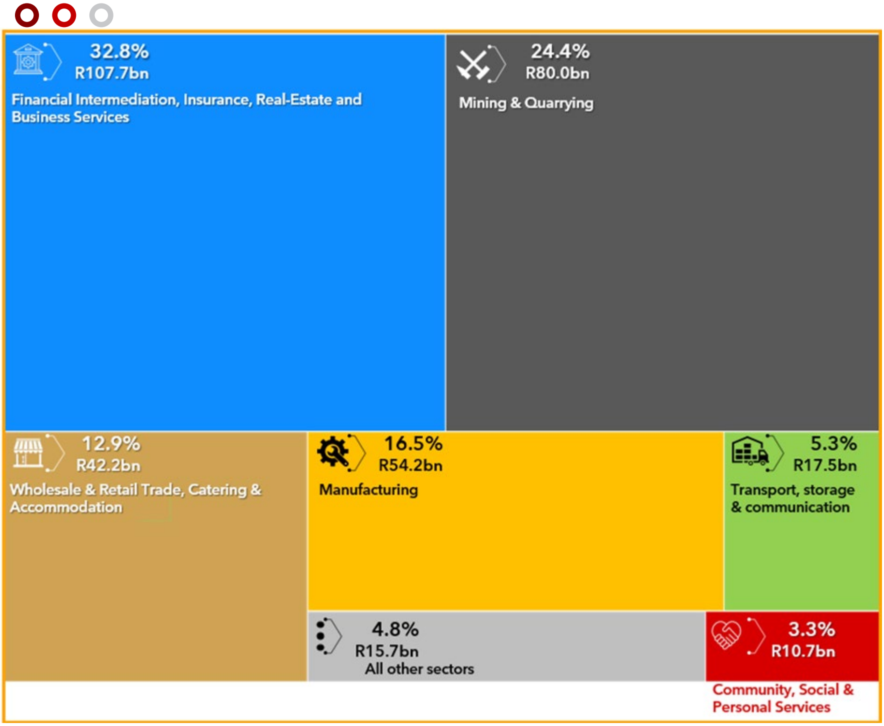


1. Please note that companies with taxable income greater than R100 million constituted 0.1% of the number of companies (not visible in number column) but contributed 72.2% of taxable income and 72.3% of assessed tax.

Distribution by sector

On 31 August 2023, the Financial Intermediation, Insurance, Real -estate and Business Services sector had the highest number of taxpayers (22.8% of the assessed total) in the 2022 tax year. This sector accounted for 32.8% of the tax assessed for the same tax year. The sector with the fewest taxpayers (0.5% of the assessed total) for the 2022 tax year was the Electricity, Gas and Water sector, which accounted for 1.3% of the tax assessed.

Companies' tax assessed by economic activity, 2022



Small Business Corporations (SBCs)

Companies are taxed as SBCs for a particular tax year if they meet specific criteria, such as:

- 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% (27% for years of assessments ending on or after 31 March 2023). The Table below shows the increase in the SBCs taxable income brackets from the 2020 to the 2023 tax years. The limit of the first SBCs bracket increased by 15.5% from R79 000 for the 2020 tax year to R91 250 for the 2023 tax year.

SBCs can also immediately write off all plant or machinery used in manufacturing 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, 2020 and 2023

Tax year Rand	2020			SBC rate for 2020	2023			SBC rate for 2023	Percentage increase in top bracket
Taxable income brackets	0	–	79 000	0%	0	–	91 250	0%	15.5%
	79 001	–	365 000	7%	91 251	–	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 2022, they could be taxed at either 2021/22 tax rates or 2022/23 tax rates. This would occur because:

- 2021/22 tax rates (rates in effect from 1 April 2021 to 31 March 2022) apply to SBCs with years of assessment ending from 1 January 2022 to 31 March 2022; and
- 2022/23 tax rates (rates in effect from 1 April 2022 to 31 March 2023) apply to SBCs with years of assessment ending from 1 April 2022 to 31 December 2022.

For the 2023/24 fiscal year...

959 000 registered VAT vendors
488 118 were active

50.9% ACTIVE

Registered VAT Vendors

- 80.9% | Companies & Close Corporations
- 11.7% | Individuals
- 5.4% | Trusts
- 1.1% | Partnerships
- 0.8% | Other

53.0%
Vendors with a turnover of R1 million or less

80.9%
Vendors making payments and receiving refunds in the bi-monthly category

17.5%
Vendors making payments and receiving refunds in the monthly category

Account for **83.1%** of VAT payments

Account for **93.7%** of VAT refunds

Ratio of payments and refunds

R1 Domestic VAT	=	R3.00 Output Tax declared	–	R2.00 Input Tax claimed
R1 VAT Refund	=	R1.96 Input Tax claimed	–	R0.96 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 2023/24 fiscal year:

- Net Value-Added Tax (VAT) collections totalled R447.6 billion and grew by 6.0% compared to the previous year. Domestic VAT, the biggest contributor to net VAT amounted to R525.4 billion, with an annual growth of 8.0%. The net growth rate (6.0%) was supported by the collection of R265.0 billion in Import VAT, which grew by 3.9% compared to the prior year. VAT refunds, which totalled R342.9 billion, grew by 7.5% and partially countered the growth of Domestic VAT and Import VAT.
- The main sectors that contributed to Domestic VAT growth were Financial intermediation, insurance, real estate & business services; Wholesale & retail trade, catering and accommodation, as well as Manufacturing. However, year-on-year contraction was observed in the Mining & quarrying sector. Year-on-year growth impacted by inflation growth, growth in gross domestic expenditure and SARS compliance efforts, among other factors. The Mining & quarrying sector continued to experience low commodity prices, electricity-, rail-, port- and other operational challenges.
- The largest VAT refund increases were observed in Wholesale and retail trade, catering and accommodation; Mining & quarrying; Electricity, gas & water, as well as Financial intermediation, insurance, real estate & business services. The growth in VAT refunds was largely because of VAT credit returns submitted (value and volumes) in relation to

increased input costs, zero-rated sales declared, growth in import VAT paid and SARS compliance efforts, among other factors; and

- The registered vendors totalled 959 000 on 31 March 2024, of which 488 118 (50.9%) were active. Key statistics are:
    - The 17.5% share of VAT vendors in the monthly submission category contributed 83.1% to Domestic VAT payments and received 93.7% of the VAT refunds.
    - The 80.9% share of VAT vendors that submitted returns bi-monthly (every two months), contributed 16.8% to Domestic VAT payments and received 6.2% of the VAT refunds.
    - Companies and close corporations composed 80.9% of VAT vendors. Individuals made up 11.7%, trusts 5.4%, partnerships 1.1% and the remaining entities 0.8%.
    - The Financial intermediation, insurance, real estate & business services sector was the largest sector, constituting 40.4% of the total number of active vendors.
    - VAT vendors with a turnover of R1 million or less, i.e., below the mandatory registration threshold, constituted 53.0% of the total number of active vendors.
    - On average, for each R1.00 in Domestic VAT declared, R3.00 in output tax was declared and R2.00 in input tax was claimed.
    - On average, for each R1.00 in VAT refund claimed, R0.96 in output tax was declared, while R1.96 in input tax was claimed.

- In 2023/24, there were 959 000 registered VAT vendors, of which 488 118 were active. The register for VAT has maintained minimal growth over the years, with 2020/21 showing a 0.3% contraction in the number of active vendors because of the COVID-19 lockdown, which restricted economic activities. However, 2021/22 showed a recovery with growth of 6.9% and 4.4% for the register and active register, respectively. For the period under review, 2023/24, active vendors grew by 2.2%

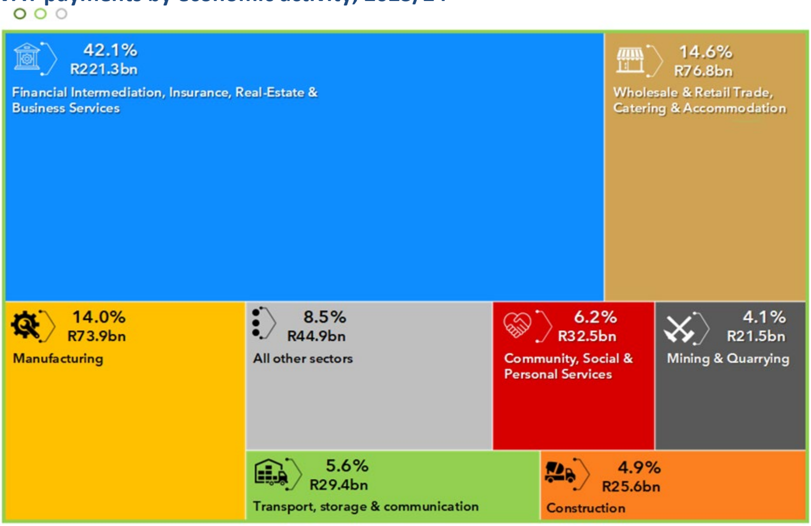
compared to the prior year, but the active percentage of the register remains below 51.0% for the last three fiscal years. For this chapter, a vendor is regarded as active if a payment was received from or a refund made to the vendor during the fiscal year, regardless of the registration status.

Number of registered VAT vendors, 2020/21 – 2023/24

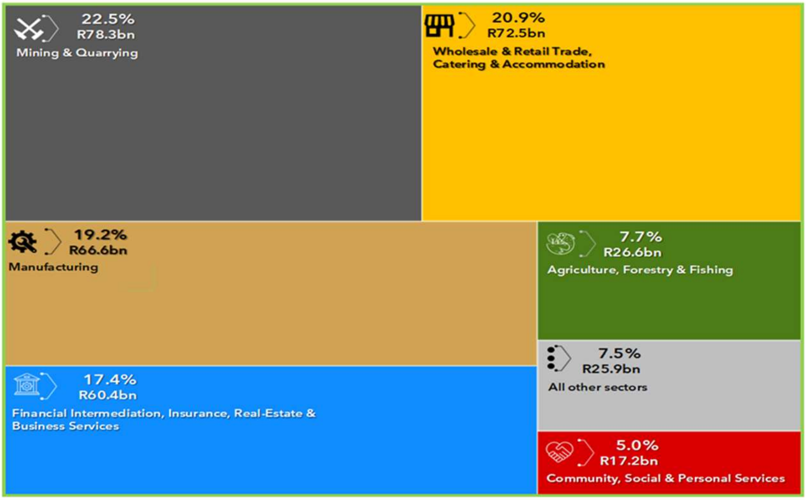
Fiscal year	Registered[1]	Percentage growth rates	Active vendors	Percentage growth rates	Active percentage of register
2020/21	880,553	5.9%	450,425	-0.3%	51.2%
2021/22	941,406	6.9%	470,239	4.4%	50.0%
2022/23	953,665	1.3%	477,774	1.6%	50.1%
2023/24	959,000	0.6%	488,118	2.2%	50.9%

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, 2023/24



VAT refunds by economic activity, 2023/24



From 2020/21 to 2023/24, the supply of standard-rated goods and services contributed an average of 96.3% to total output tax. Over the same period, the contribution of the supply of capital goods remained at 2.6% or lower, in line with low capital investments due to the recovery of COVID-19 and prevailing economic conditions. The share of capital goods and accommodation supplied remained relatively stable over this period.

Output tax by class of supply, 2020/21 – 2023/24

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				
2020/21	1,479,182	32,496	1,520	16,956	**1,530,153**
2021/22	1,757,479	44,767	2,417	24,867	**1,829,530**
2022/23	2,001,771	53,834	4,178	21,223	**2,081,007**
2023/24	2,164,114	52,935	4,739	29,107	**2,250,895**
	Percentage of total				
2020/21	96.7%	2.1%	0.1%	1.1%	**100.0%**
2021/22	96.1%	2.4%	0.1%	1.4%	**100.0%**
2022/23	96.2%	2.6%	0.2%	1.0%	**100.0%**
2023/24	96.1%	2.4%	0.2%	1.3%	**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 2023/24, 53.0% of vendors had a turnover of R1 million or less, i.e., below the mandatory VAT registration threshold. However, these vendors accounted for only 5.6% of Domestic VAT payments and 5.3% of VAT refunded. In contrast, 4.0% of VAT vendors who had an annual turnover greater than R100 million accounted for 68.0% of Domestic VAT payments and 83.4% of VAT refunded.

Distribution of VAT vendors by turnover group, 2023/24

Vendors per annualised turnover (payments and refunds), 2020/21 – 2023/24

	2020/2021	2021/2022	2022/2023	2023/2024
Number of vendors	450,425	470,239	477,774	488,118
Turnover (R million)	13,812,692	16,542,357	19,591,878	20,713,103
Payments (R million)	393,055	447,108	486,099	525,975
Refunds (R million)	-229,774	-263,123	-317,032	-347,555
Nett VAT	**163,281**	**183,985**	**169,067**	**178,420**
Nett VAT as % turnorver	1.2%	1.1%	0.9%	0.9%

For the 2023/24 fiscal year…

Number of registered importers

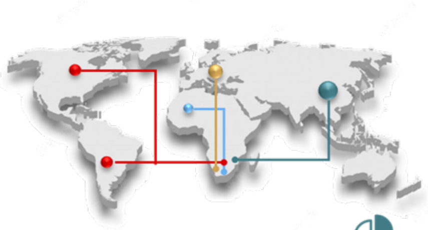
355 846

Import VAT	%	Customs Duties
15.2%	…of Revenue	4.1%
3.7%	…of GDP	1.0%
3.9%	…of change Y/Y	-4.6%

Biggest Contributors

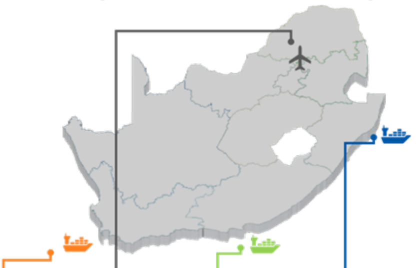
Import VAT		Customs Duties	
28.9%	Machinery & Electronics	26.1%	Vehicles, Aircraft & Vessels
12.2%	Chemical Products	15.9%	Textiles & Clothing
10.6%	Vehicles, Aircraft & Vessels	13.1%	Machinery & Electronics

Main contributors to Total Import Tax by World Zone



Americas	Africa	Europe	Asia
11.1%	5.0%	30.5%	52.0%

Main contributors to Total Import Tax by Customs Port of Entry



Cape Town Harbour	OR Tambo Int Airport	Port Elizabeth (Gqeberha) Harbour	Durban Harbour
9.0%	16.0%	7.9%	49.3%

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.

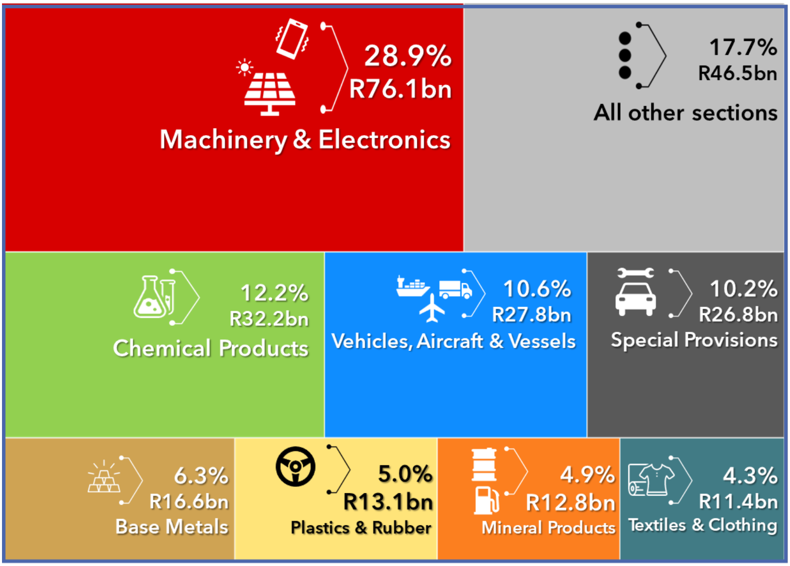
For the 2023/24 fiscal year (FY):

- Import VAT collections totalled R265.0 billion and recorded a year-on-year (y/y) growth rate of 3.9%, following a growth of 24.7% in 2022/23.
- Collections of Customs Duties totalled R70.5 billion and experienced a y/y decline of 4.6%, on the back of a significant 27.5% increase in 2022/23.
- Revenue from two of the sub-categories of Duties, namely Specific Excise Duties and *Ad valorem* Excise Duties contributed R8.4 billion (a share of 11.9%) and R15.5 billion (22.0%) respectively to the year's total Duty collection (referencing Sections A and B of Part 2 of Schedule 1 to the Customs and Excise Act, 1964). The majority of the remaining R46.7 billion (66.1%) comprises all other Customs Duties levied, predominantly General Duties (Part 1 of Schedule 1 to the Customs and Excise Act, 1964).
- Import VAT and Customs Duties accounted for 15.2% and 4.1% of the year's Total Tax Revenue respectively, resulting in a 19.3% aggregate. This total was higher than the 17.7% average over the preceding five fiscal years. The combined share of these taxes relative to GDP increased to 4.7% from the

preceding five-year average of 4.2%, with Import VAT and Customs Duties contributing 3.7% and 1.0%, respectively.

- The largest driver of the year's Import VAT was *Machinery and Electronics* at 28.9%, up from 26.4% in 2022/23. Notably, *Vehicles, Aircraft and Vessels* accounted for the most significant portion of Customs Duties at 26.1%, down from 29.0% in the prior year.
- Imports from the world zones of Asia and Europe accounted for 82.5% of the combined Total Import Tax contribution, compared to 82.3% in 2022/23.
- Per country, China and Germany — respectively contributing 29.3% and 9.0% of Total Import Tax — remained the principal suppliers of taxable goods to South Africa.
- The Importer register increased y/y by 2.3% to 355 846 in number.
- The overall effective tax rate was 9.3% for Import VAT, 2.6% for Customs Duties and 11.9% for Total Import Tax.

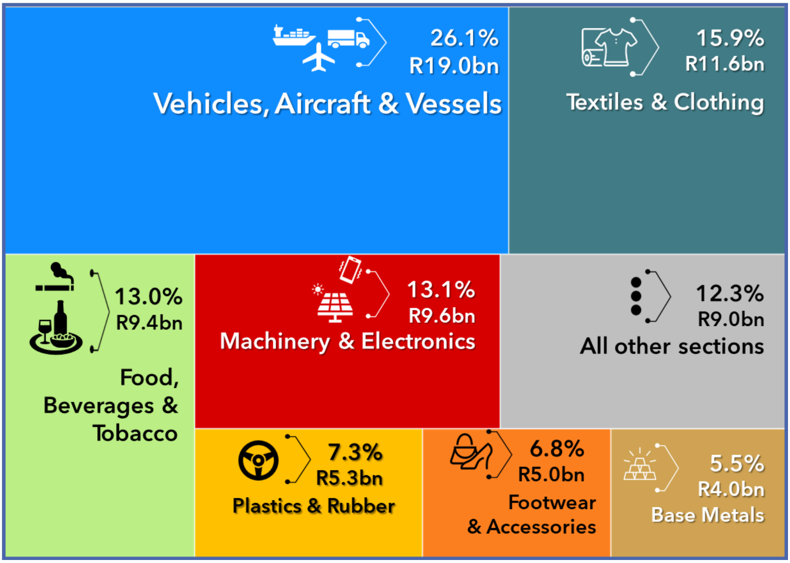
Import VAT by HS section, 2023/24



Import VAT for 2023/24 was collected mostly from the importation of *Machinery and Electronics* (28.9%); *Chemical Products* (12.2%); *Vehicles, Aircraft and Vessels* (10.6%); *Special Provisions* (10.2%); *Base Metals* (6.3%); *Plastics and Rubber* (5.0%); *Mineral Products* (4.9%); and *Textiles and Clothing* (4.3%). The *All Other sections* grouping (17.7%) comprises the remaining 14 HS sections.

The overall effective tax rate for Import VAT in 2023/24 was 9.3% compared to previous year's 9.2%. Key commodities with the highest effective VAT rates were *Footwear and Accessories* at 18.9%; *Hides, Skins and Leather* at 16.2%; and *Special Provisions* at 15.9%.

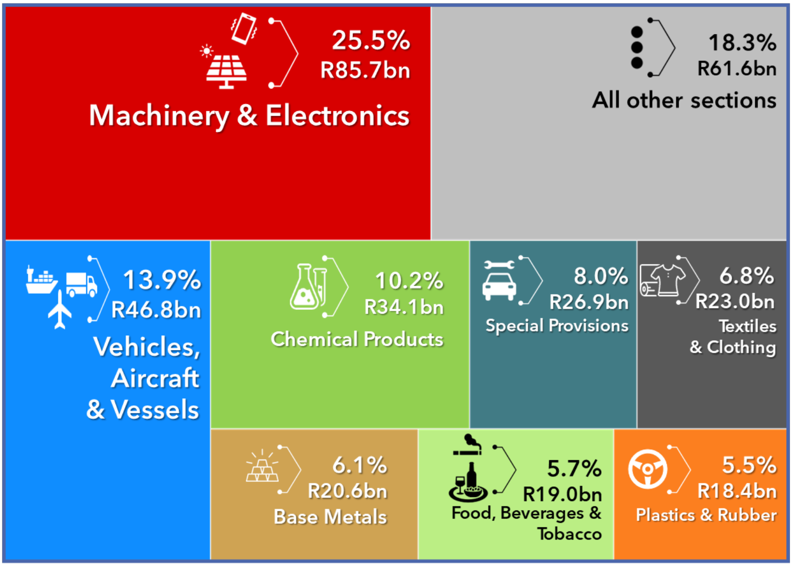
Customs Duties by HS section, 2023/24



The largest contributing HS sections to Customs Duties in 2023/24 were *Vehicles, Aircraft and Vessels* (26.1%); *Textiles and Clothing* (15.9%); *Machinery and Electronics* (13.1%); and *Food, Beverages and Tobacco* (13.0%).

The overall effective Customs Duty rate in 2023/24 was 2.6% compared to previous year's 2.8%. Key commodities with the highest effective Duty rates were *Footwear and Accessories* at 24.8%; *Hides, Skins and Leather* at 20.0%; *Textiles and Clothing* at 15.5% and *Food, Beverages and Tobacco* at 9.4%.

Total Import Tax by HS section, 2023/24

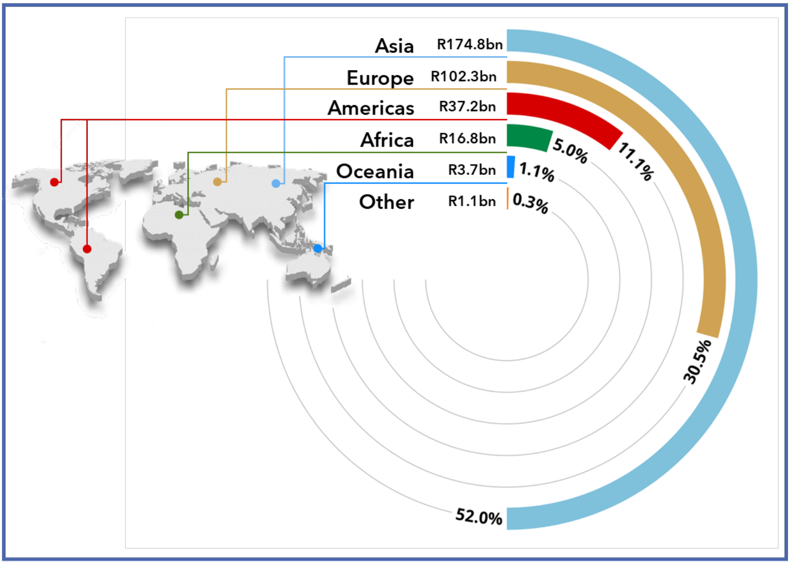


Machinery and Electronics; Vehicles, Aircraft and Vessels; Chemical Products; Special Provisions; *Textiles and Clothing; Base Metals; Food, Beverages and Tobacco* and *Plastics and Rubber*. Combined, these sections made up 81.7% of the Total Import Tax for 2023/24.

The overall effective tax rate for Total Import Tax in 2023/24 was 11.9% compared to previous year's 12.0%. Key commodities with the highest effective Total Import Tax rates were *Footwear and Accessories* at 43.7%; *Hides, Skins and Leather* at 36.2%; and *Textiles and Clothing* at 30.8%.

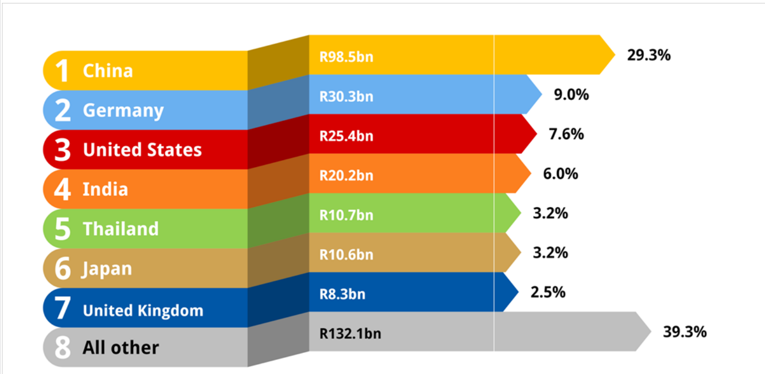
Imports from Asia accounted for 52.0% of the Total Import Tax, followed by Europe at 30.5% and the Americas at 11.1%.

Total Import Tax by World zone, 2023/24

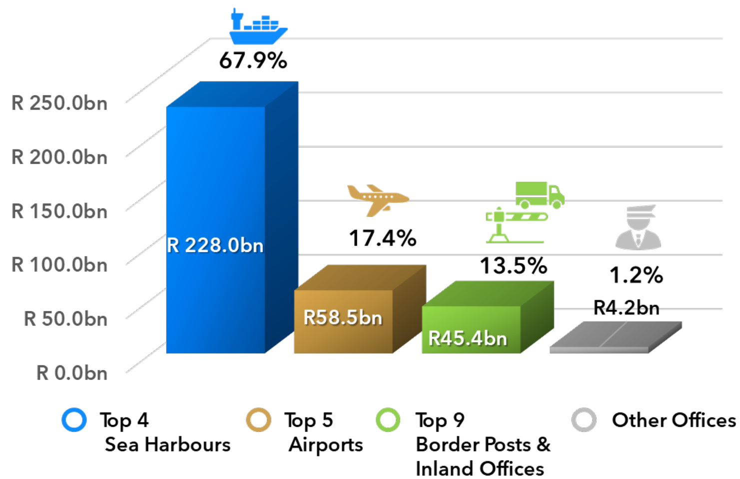


The top seven countries of origin — China, Germany, United States, India, Thailand, Japan and United Kingdom — collectively accounted for 60.7% of the Total Import Tax for 2023/24.

Total Import Tax by Country of origin, 2023/24

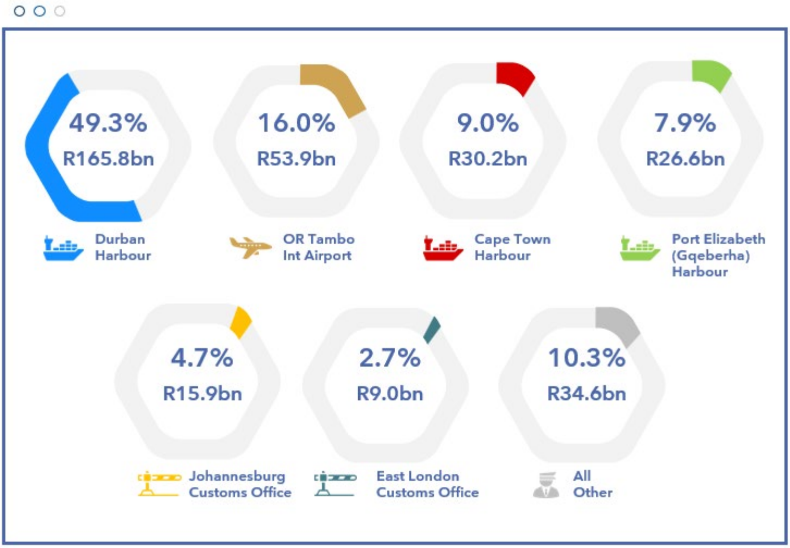


Total Import Tax by Customs port of entry group, 2023/24



The contribution of the top six offices — Durban Harbour, O.R. Tambo International Airport, Cape Town Harbour, Port Elizabeth (Gqeberha) Harbour, Johannesburg Customs Office and East London Customs Office — which together accounted for 89.7% of the Total Import Tax for 2023/24.

Total Import Tax by Customs port of entry, 2023/24



For the 2023/24 fiscal year...

Capital Gains Tax

Company Capital Gains Tax

R12.5 billion

+

Individual Capital Gains Tax

R8.9 billion

=

Raised Capital Gains Tax

R21.3 billion

Contraction of R0.9 billion (4.1%) on the R22.2 billion raised in 2022/23.

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

An aggregate of **R232.8 billion** has been raised since the introduction of CGT in October 2001.

R240.2bn

Property transfers subjected to transfer duty

R100 548

Average transfer duty paid

Transfer duties amounted to **R9.6 billion**

A decrease from R11.5 billion in 2022/23.

Mineral and Petroleum Resources Royalty payments amounted to **R16.0 billion**

36.9% decrease from 2022/23

This contraction is attributed due to a significant decline in commodity prices, particularly platinum and iron ore

Contributions to the SACU pool during 2023/24

R131.4 billion

Diesel refunds increased 11.9% from R6.5 billion to **R7.3 billion** in 2023/24.

This increase was mainly driven by the growth of R765.2 million (68.8%) in the **Electricity sector**.

CHAPTER 6: OTHER TAXES AND COLLECTIONS

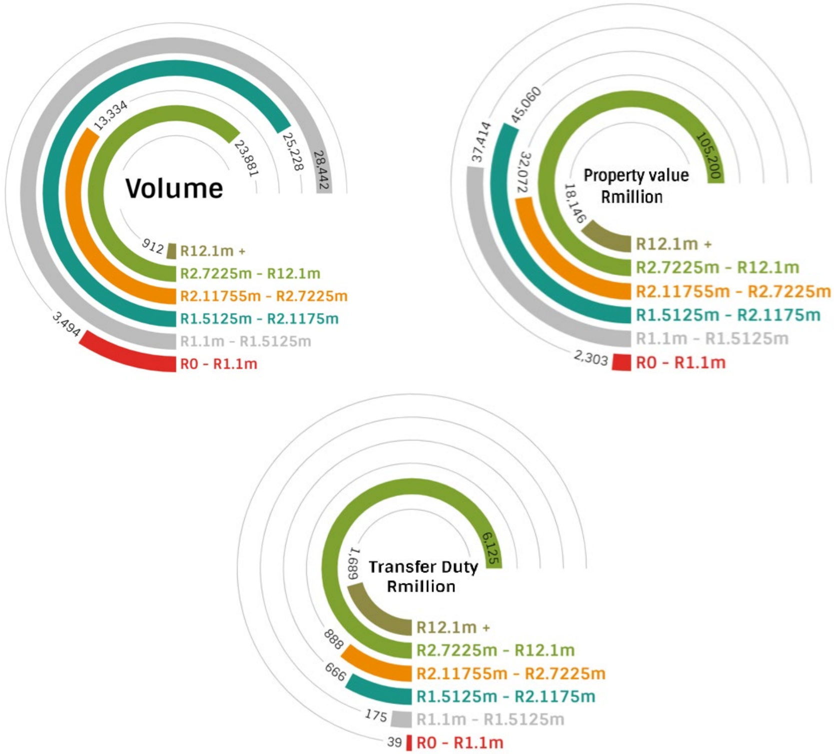
This chapter focuses on revenue collection trends that provide insight into specific aspects of economic activity during 2023/24. It gives an overview of:

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

For the 2023/24 fiscal year:

- Capital Gains Tax (CGT) of R21.3 billion was raised, of which R8.9 billion was attributable to individuals and trusts, and R12.5 billion to companies. This reflects a decline of R0.9 billion (4.1%) from the R22.2 billion raised in 2022/23. An aggregate of R232.8 billion has been raised since the introduction of CGT in October 2001, with R107.3 billion deriving from individuals and trusts and R125.6 billion from companies.
- Transfer Duty collected totaled R9.6 billion, a decrease from the R11.5 billion collected in 2022/23, in line with a transaction-volume decrease of -18.6% year-on-year and a -16.7% decrease in value of dutiable properties.

Distribution of Transfer Duty collected by property value, 2023/24



- Diesel refunds increased from R6.5 billion in 2022/23 to R7.3 billion in 2023/24, an increase of R772.0 million (11.9%). This increase was mainly driven by the growth of R765.2 million (68.8%) in the electricity sector because of increased diesel usage, which had a growth of 171.8 mega litres (58.8%).
- Mineral and Petroleum Resources Royalty (MPRR) payments by extractors contracted by R9.4 billion (36.9%) from R25.3 billion to R16.0 billion due to a significant decline in commodity prices, particularly PGMs and Coal. This contraction was less severe due to improved Gold and Iron Ore prices, which effectively offset the decline in MPRR payments.

- The SACU common revenue pool (CRP) was estimated at R137.1 billion in the 2022 MTBPS but actual contributions amounted to R131.4 billion. The CRP outcome fell short of the 2022 MTBPS estimate by R5.6 billion (-4.1%) due to lower-than-expected customs duties and excise duties collections. Additionally, the 2023/24 CRP saw a decrease of R3.2 billion (-2.4%) compared to 2022/23.

Tax Statistics 2024

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

ISBN: 978-1-77997-133-3

Produced by SARS Communication