



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

PUBLICATION OF THE 2018 TAX ACTS AND ACCOMPANYING DOCUMENTATION

The President has signed into law three 2018 tax bills, that give legislative effect to the tax proposals announced by the Minister of Finance in his annual National Budget Speech delivered on 21 February 2018.

- Rates and Monetary Amounts and Amendment of Revenue Laws Act, 2018 (Act No. 21 of 2018) (2018 Rates Act)
- the Taxation Laws Amendment Act, 2018 (Act No 23 of 2018) (2018 TLAA) and
- the Tax Administration Laws Amendment Act, 2018 (Act No 22 of 2018) (2018 TALAA).

The Rates and Monetary Amounts and Amendment of Revenue Laws Act, 2018 gives effect to significant tax proposals, such as changes in tax rates and monetary thresholds and excise duties on alcoholic beverages and tobacco products, as well as an increase in the VAT rate from 14 per cent to 15 per cent. This Act further gives effect to consequential proposals that were announced in the 2018 Medium Term Budget Policy Statement (MTBPS), such as the zero-rating of white bread flour, cake flour and sanitary pads. These proposals followed the work of the Independent Panel of Experts, established by the Minister of Finance, to investigate potential mechanisms of mitigating the impact of the VAT rate increase on poorer households, after a lengthy public consultation process.

The Taxation Laws Amendment Act, 2018 deals with technical and anti-avoidance measures aimed at forcing certain taxpayers to cease using certain tax planning techniques that have an adverse effect on the amount of taxes available for collection.

The Tax Administration Laws Amendment Act, 2018 contains tax proposals that are technical and administrative in nature. It also contains a consequential amendment, proposed by the Standing Committee on Finance, that requires the Minister of Finance to evaluate the impact of the VAT rate increase on revenue collection and the poor. The Minister of Finance will be expected to table a report in Parliament by no later than 30 June 2021.

A Final Response Document on the 2018 Rates and Monetary Amounts and Amendment of Revenue Laws Bill, Final Response Documents and Explanatory Memorandum to the 2018 Taxation Laws Amendment Bill (TLAB) and Memorandum on the objects of the 2018 Tax Administration Laws Amendment Bill (TALAB) are also published.

The Final Response Documents take into account submissions and decisions made following further inputs by stakeholders and the Standing Committee on Finance during public hearings on the 2018 Rates Bill and 2018 TLAB and TALAB.

The Acts are available on the National Treasury and SARS websites.

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