



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## **OIKODOMEO TRADING VAT INCREASE**

**CONTRACT RT69-2016: SUPPLY, DELIVERY, FITMENT AND BALANCING OF TYRES AND TUBES TO THE STATE FOR PERIOD ENDING 30 JUNE 2018**

**VALUE ADDED TAX (VAT) ADJUSTMENT TO 15%**

**The effective date is 01 April 2018**

The Minister of Finance in his 2018 budget speech has introduced tax proposals designed to generate additional tax revenue for 2018/19 financial year. One of the tax proposals is an increase in the value-added tax (VAT) rate from 14% to 15%.

The National Treasury has therefore adjusted contract prices with the latest VAT value of 15% accordingly.

In the event that an incorrect price adjustment was made during the calculation of the contract price adjustment to take into account the new rate of 15%, the state reserves the right to adjust the price in accordance with the correct calculation. Recovery of any over or under payment as a result of the application of an incorrect adjustment will be dealt with by the supplier and the relevant end-user department.

Yours faithfully

**NGWATO NKUNA**  
**For CHIEF DIRECTOR: TRANSVERSAL CONTRACTING**  
**OFFICE OF THE CHIEF PROCUREMENT OFFICER**  
DATE: 2018-04-24

**OIKODOMEO TRADING VAT INCREASE RT69-2016**

Item Code	Item Description	Quantity	End-user	Old Price	New Price
25172503-00074	TYRE, AGRICULTURAL, CONVENTIONAL, WIDTH 13.6/12, CROSSPLY, DIAMETER 24, PLY 4, LOAD RATING 141/137, AXLE POSITION REAR, UTILISATION OFF-ROAD	1	Kwazulu-Natal Province	R 3 782.36	R 3 815.54
25172509-00040	TUBE, EARTMOVER, 13/14/24 TR220A	1	Kwazulu-Natal Province	R 361.55	R 364.72
25172503-00087	TYRE, AGRICULTURAL, CONVENTIONAL, WIDTH 16.9/14, CROSSPLY, DIAMETER 28, PLY 6, LOAD RATING 141/137, AXLE POSITION REAR, UTILISATION OFF-ROAD	1	Kwazulu-Natal Province	R 6 744.27	R 6 803.43