

# **Estimates of National Revenue**

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# **Estimates of National Revenue**

**National Treasury  
Republic of South Africa**

20 February 2008





Table 1: Summary of Main Budget Revenue to be collected in the National Revenue Fund, 2006/07 – 2008/09

|   | 2006/07           | 2007/08          |                  | 2008/09              |                  |
|---|-------------------|------------------|------------------|----------------------|------------------|
|   | Actual collection | Budget estimate  | Revised estimate | Before tax proposals | After            |
| <b>R million</b>                                      |                   |                  |                  |                      |                  |
| <b>Tax revenue</b>                                    | 495 515.1         | 556 562.0        | 571 063.0        | 652 768.5            | 642 268.6        |
| <b>Non-tax revenue<sup>1</sup></b>                    | 10 880.5          | 11 092.6         | 11 611.9         | 12 005.0             | 12 005.0         |
| <b>Less: SACU payments<sup>2</sup></b>                | -25 194.9         | -23 053.0        | -24 712.6        | -28 920.6            | -28 920.6        |
| <b>TOTAL BUDGET REVENUE</b>                           | <b>481 200.7</b>  | <b>544 601.6</b> | <b>557 962.3</b> | <b>635 852.9</b>     | <b>625 353.0</b> |
| Includes revenue pre-assigned by statute <sup>3</sup> |                   |                  |                  |                      |                  |
| <i>Skills development levy</i>                        | 5 597.4           | 6 500.0          | 6 800.0          | 7 529.6              | 7 529.6          |
| <i>Universal Service Fund</i>                         | 152.1             | 230.0            | 230.0            | 240.0                | 240.0            |

<sup>1</sup> Includes departmental revenue, sales of assets, recoveries of loans and advances and Unemployment Insurance Fund (UIF) contributions collected by SARS.

<sup>2</sup> Payments in terms of Customs Union agreements imposed in terms of Section 51(2) of the Customs and Excise Act (1964).

<sup>3</sup> Includes Skills development levy collected in terms of Section 3 of the Skills Development Levies Act (1999) and the Universal Service Fund collected in terms of Section 58 of the Telecommunications Act (1996).

Table 2: Detailed estimates of Main Budget Revenue to be collected in the National Revenue Fund, 2006/07 – 2008/09

|   | 2006/07            | 2007/08            |                    | 2008/09              |                    |
|---|--------------------|--------------------|--------------------|----------------------|--------------------|
|   | Actual collection  | Budget estimate    | Revised estimate   | Before tax proposals | After              |
| <b>R thousands</b>  |                    |                    |                    |                      |                    |
| <b>Taxes on income and profits</b>  | <b>279 990 516</b> | <b>312 150 000</b> | <b>332 270 000</b> | <b>384 354 900</b>   | <b>369 754 000</b> |
| Income tax on persons and individuals                                     | 140 578 347        | 155 335 000        | 168 500 000        | 198 746 900          | 191 046 000        |
| Tax on corporate income   |                    |                    |                    |                      |                    |
| Companies   | 118 998 582        | 138 515 000        | 141 400 000        | 163 371 000          | 156 471 000        |
| Secondary tax on companies  | 15 291 351         | 16 000 000         | 20 200 000         | 20 000 000           | 20 000 000         |
| Tax on retirement funds   | 3 190 529          | –                  | 160 000            | –                    | –                  |
| Other   |                    |                    |                    |                      |                    |
| Interest on overdue income tax  | 1 931 050          | 2 300 000          | 2 000 000          | 2 237 000            | 2 237 000          |
| Small business tax amnesty  | 657                | –                  | 10 000             | –                    | –                  |
| <b>Taxes on payroll and workforce</b>                                     | <b>5 597 401</b>   | <b>6 500 000</b>   | <b>6 800 000</b>   | <b>7 529 600</b>     | <b>7 529 600</b>   |
| Skills development levy   | 5 597 401          | 6 500 000          | 6 800 000          | 7 529 600            | 7 529 600          |
| <b>Taxes on property</b>  | <b>10 332 290</b>  | <b>10 995 000</b>  | <b>12 680 000</b>  | <b>14 212 000</b>    | <b>14 212 000</b>  |
| Estate, inheritance and gift taxes  |                    |                    |                    |                      |                    |
| Donations tax   | 47 022             | 30 000             | 30 000             | 35 000               | 35 000             |
| Estate duty   | 747 447            | 450 000            | 750 000            | 875 000              | 875 000            |
| Taxes on financial and capital transactions                               |                    |                    |                    |                      |                    |
| Marketable securities tax   | 2 763 861          | 3 465 000          | 4 150 000          | 4 682 000            | 4 682 000          |
| Transfer duties   | 6 773 960          | 7 050 000          | 7 750 000          | 8 620 000            | 8 620 000          |
| <b>Domestic taxes on goods and services</b>                               | <b>174 637 856</b> | <b>199 210 000</b> | <b>191 612 000</b> | <b>214 499 000</b>   | <b>218 600 000</b> |
| Value-added tax   | 134 462 599        | 155 068 000        | 147 000 000        | 167 528 000          | 167 028 000        |
| Specific excise duties  |                    |                    |                    |                      |                    |
| Beer  | 4 795 442          | 5 274 000          | 5 110 000          | 5 630 000            | 5 941 000          |
| Sorghum beer and sorghum flour  | 43 357             | 45 450             | 35 000             | 35 000               | 35 000             |
| Wine and other fermented beverages  | 1 031 611          | 855 000            | 1 195 000          | 1 320 000            | 1 410 000          |
| Spirits   | 2 016 802          | 2 434 400          | 2 360 000          | 2 620 000            | 2 890 000          |
| Cigarettes and cigarette tobacco  | 6 783 519          | 7 481 000          | 7 685 000          | 7 780 000            | 8 375 000          |
| Pipe tobacco and cigars   | 410 079            | 437 900            | 425 000            | 415 000              | 430 000            |
| Petroleum products  | 846 608            | 970 600            | 890 000            | 925 000              | 980 000            |
| Revenue from neighbouring countries                                       | 441 978            | 294 000            | 300 000            | 325 000              | 340 000            |
| <i>Ad valorem</i> excise duties   | 1 282 664          | 1 415 000          | 1 615 000          | 1 682 000            | 1 682 000          |
| Levies on fuel  | 21 844 642         | 23 937 650         | 24 000 000         | 25 184 000           | 26 434 000         |
| Taxes on use of goods or permission to use goods or to perform activities |                    |                    |                    |                      |                    |
| Air departure tax   | 484 823            | 520 000            | 520 000            | 545 000              | 545 000            |
| Plastic bags levy   | 75 128             | 82 000             | 82 000             | 90 000               | 90 000             |
| Electricity levy  | –                  | –                  | –                  | –                    | 2 000 000          |
| Mining leases and ownership   |                    |                    |                    |                      |                    |
| Other mines   | -33 516            | 165 000            | 165 000            | 180 000              | 180 000            |
| Other   |                    |                    |                    |                      |                    |
| Universal Service Fund  | 152 120            | 230 000            | 230 000            | 240 000              | 240 000            |
| <b>Taxes on international trade and transactions</b>                      | <b>24 002 207</b>  | <b>27 485 000</b>  | <b>27 001 000</b>  | <b>31 473 000</b>    | <b>31 473 000</b>  |
| Import duties   |                    |                    |                    |                      |                    |
| Customs duties  | 23 697 003         | 27 084 000         | 26 600 000         | 31 073 000           | 31 073 000         |
| Other   |                    |                    |                    |                      |                    |
| Miscellaneous customs and excise receipts                                 | 305 204            | 401 000            | 401 000            | 400 000              | 400 000            |
| <b>Other taxes</b>  | <b>615 670</b>     | <b>222 000</b>     | <b>700 000</b>     | <b>700 000</b>       | <b>700 000</b>     |
| Stamp duties and fees   | 615 670            | 222 000            | 700 000            | 700 000              | 700 000            |
| <b>State Miscellaneous Revenue (SMR)</b>                                  | <b>339 171</b>     | <b>–</b>           | <b>–</b>           | <b>–</b>             | <b>–</b>           |
| <b>TOTAL TAX REVENUE (gross)</b>  | <b>495 515 111</b> | <b>556 562 000</b> | <b>571 063 000</b> | <b>652 768 500</b>   | <b>642 268 600</b> |

Table 2: Detailed estimates of Main Budget Revenue to be collected in the National Revenue Fund, 2006/07 – 2008/09

|   | 2006/07            | 2007/08            |                    | 2008/09              |                    |
|---|--------------------|--------------------|--------------------|----------------------|--------------------|
|   | Actual collection  | Budget estimate    | Revised estimate   | Before tax proposals | After              |
| <b>R thousands</b>  |                    |                    |                    |                      |                    |
| <b>TOTAL TAX REVENUE (gross)</b>  | <b>495 515 111</b> | <b>556 562 000</b> | <b>571 063 000</b> | <b>652 768 500</b>   | <b>642 268 600</b> |
| <b>Less: SACU payments</b>  | <b>-25 194 939</b> | <b>-23 053 000</b> | <b>-24 712 567</b> | <b>-28 920 625</b>   | <b>-28 920 625</b> |
| Payments in terms of Customs Union agreements<br>(sec. 51(2) of Act 91 of 1964)     | -25 194 939        | -23 053 000        | -24 712 567        | -28 920 625          | -28 920 625        |
| <b>TOTAL TAX REVENUE (net of SACU payments)</b>                                     | <b>470 320 172</b> | <b>533 509 000</b> | <b>546 350 433</b> | <b>623 847 875</b>   | <b>613 347 975</b> |
| <b>Sales of goods and services other than capital assets</b>                        | <b>2 654 047</b>   | <b>2 425 348</b>   | <b>3 104 266</b>   | <b>3 448 085</b>     | <b>3 448 085</b>   |
| Sales of goods and services produced by departments                                 |                    |                    |                    |                      |                    |
| Administrative fees   | 2 150 350          | 1 935 642          | 2 419 001          | 2 753 096            | 2 753 096          |
| Other sales   | 439 106            | 404 072            | 488 435            | 670 256              | 670 256            |
| Sales of scrap, waste, arms and other used current goods                            | 64 591             | 85 634             | 196 830            | 24 733               | 24 733             |
| <b>Transfers received</b>   | <b>548</b>         | <b>206</b>         | <b>2 816</b>       | <b>200</b>           | <b>200</b>         |
| <b>Fines, penalties and forfeits</b>  | <b>417 121</b>     | <b>450 860</b>     | <b>380 057</b>     | <b>437 019</b>       | <b>437 019</b>     |
| <b>Interest, dividends and rent on land</b>   | <b>6 026 531</b>   | <b>6 308 809</b>   | <b>7 091 107</b>   | <b>7 256 067</b>     | <b>7 256 067</b>   |
| Interest  |                    |                    |                    |                      |                    |
| Cash and cash equivalents   | 93 350             | 210 400            | 158 934            | 203 178              | 203 178            |
| Corporation for Public Deposits   | 40 674             | –                  | 39 085             | 41 500               | 41 500             |
| Exchequer investments   | 2 512 000          | 1 636 000          | 1 684 000          | 1 371 000            | 1 371 000          |
| Sterilisation deposits  | 1 710 713          | 2 776 000          | 3 388 000          | 3 731 000            | 3 731 000          |
| Dividends   |                    |                    |                    |                      |                    |
| Airports Company South Africa (ACSA)  | 231 257            | 242 628            | 242 823            | 254 964              | 254 964            |
| Industrial Development Corporation (IDC)  | 70 007             | 75 000             | 75 000             | 80 000               | 80 000             |
| Operating surpluses of accounts and enterprises                                     | 123 339            | –                  | 140 000            | 140 000              | 140 000            |
| SA Reserve Bank (SARB)  | 16 299             | 84 688             | 84 688             | 88 923               | 88 923             |
| Telkom  | 1 035 238          | 1 086 999          | 1 086 950          | 1 141 297            | 1 141 297          |
| Other   | 688                | –                  | 1                  | –                    | –                  |
| Rent on land  | 192 966            | 197 094            | 191 626            | 204 205              | 204 205            |
| <b>TOTAL DEPARTMENTAL REVENUE</b>   | <b>9 098 247</b>   | <b>9 185 223</b>   | <b>10 578 246</b>  | <b>11 141 371</b>    | <b>11 141 371</b>  |
| <b>TOTAL CURRENT REVENUE</b>  | <b>479 418 419</b> | <b>542 694 223</b> | <b>556 928 679</b> | <b>634 989 246</b>   | <b>624 489 346</b> |
| <b>Sales of capital assets</b>  | <b>38 785</b>      | <b>11 818</b>      | <b>109 858</b>     | <b>148 832</b>       | <b>148 832</b>     |
| <b>Transactions in assets and liabilities</b><br>(Recoveries of loans and advances) | <b>1 743 501</b>   | <b>1 895 597</b>   | <b>923 755</b>     | <b>714 797</b>       | <b>714 797</b>     |
| <b>TOTAL BUDGET REVENUE</b>   | <b>481 200 705</b> | <b>544 601 638</b> | <b>557 962 292</b> | <b>635 852 875</b>   | <b>625 352 975</b> |
| <i>Receipts not regarded as revenue</i>   | <i>3 438 017</i>   | <i>1 250 000</i>   | <i>1 927 000</i>   | <i>850 000</i>       | <i>850 000</i>     |

Table 3: Summary and medium term estimates of Main Budget Revenue to be collected in the National Revenue Fund, 2006/07 – 2010/11

|  | 2006/07           | 2007/08           | 2008/09                               |                  | 2009/10               | 2010/11          |
|--|-------------------|-------------------|---------------------------------------|------------------|-----------------------|------------------|
|  | Actual collection | Revised estimates | Budget estimates Before tax proposals | After            | Medium term estimates |                  |
| <b>R million</b>                                     |                   |                   |                                       |                  |                       |                  |
| <b>Taxes on income and profits</b>                   | <b>279 990.5</b>  | <b>332 270.0</b>  | <b>384 354.9</b>                      | <b>369 754.0</b> | <b>409 555.0</b>      | <b>453 853.0</b> |
| Persons and individuals                              | 140 578.3         | 168 500.0         | 198 746.9                             | 191 046.0        | 213 465.0             | 240 410.0        |
| Companies  | 118 998.6         | 141 400.0         | 163 371.0                             | 156 471.0        | 171 375.0             | 185 923.0        |
| Secondary tax on companies                           | 15 291.4          | 20 200.0          | 20 000.0                              | 20 000.0         | 22 147.0              | 24 694.0         |
| Tax on retirement funds                              | 3 190.5           | 160.0             | –                                     | –                | –                     | –                |
| Other  | 1 931.7           | 2 010.0           | 2 237.0                               | 2 237.0          | 2 568.0               | 2 826.0          |
| <b>Taxes on payroll and workforce</b>                | <b>5 597.4</b>    | <b>6 800.0</b>    | <b>7 529.6</b>                        | <b>7 529.6</b>   | <b>8 244.9</b>        | <b>9 044.7</b>   |
| Skills development levy                              | 5 597.4           | 6 800.0           | 7 529.6                               | 7 529.6          | 8 244.9               | 9 044.7          |
| <b>Taxes on property</b>                             | <b>10 332.3</b>   | <b>12 680.0</b>   | <b>14 212.0</b>                       | <b>14 212.0</b>  | <b>15 685.0</b>       | <b>17 199.0</b>  |
| Donations tax  | 47.0              | 30.0              | 35.0                                  | 35.0             | 40.0                  | 50.0             |
| Estate duty  | 747.4             | 750.0             | 875.0                                 | 875.0            | 982.0                 | 1 116.0          |
| Marketable securities tax                            | 2 763.9           | 4 150.0           | 4 682.0                               | 4 682.0          | 5 185.0               | 5 780.0          |
| Transfer duties                                      | 6 774.0           | 7 750.0           | 8 620.0                               | 8 620.0          | 9 478.0               | 10 253.0         |
| <b>Domestic taxes on goods and services</b>          | <b>174 637.9</b>  | <b>191 612.0</b>  | <b>214 499.0</b>                      | <b>218 600.0</b> | <b>241 665.0</b>      | <b>259 430.0</b> |
| Value-added tax/sales tax                            | 134 462.6         | 147 000.0         | 167 528.0                             | 167 028.0        | 185 241.0             | 201 168.0        |
| Specific excise duties                               | 16 369.4          | 18 000.0          | 19 050.0                              | 20 401.0         | 21 595.0              | 22 249.0         |
| <i>Ad valorem</i> excise duties                      | 1 282.7           | 1 615.0           | 1 682.0                               | 1 682.0          | 1 752.0               | 1 837.0          |
| Levies on fuel                                       | 21 844.6          | 24 000.0          | 25 184.0                              | 26 434.0         | 27 972.0              | 29 006.0         |
| Air departure tax                                    | 484.8             | 520.0             | 545.0                                 | 545.0            | 570.0                 | 600.0            |
| Electricity levy                                     | –                 | –                 | –                                     | 2 000.0          | 4 000.0               | 4 000.0          |
| Other  | 193.7             | 477.0             | 510.0                                 | 510.0            | 535.0                 | 570.0            |
| <b>Taxes on international trade and transactions</b> | <b>24 002.2</b>   | <b>27 001.0</b>   | <b>31 473.0</b>                       | <b>31 473.0</b>  | <b>36 331.0</b>       | <b>38 421.0</b>  |
| Customs duties                                       | 23 697.0          | 26 600.0          | 31 073.0                              | 31 073.0         | 35 911.0              | 37 981.0         |
| Other  | 305.2             | 401.0             | 400.0                                 | 400.0            | 420.0                 | 440.0            |
| <b>Stamp duties and fees</b>                         | <b>615.7</b>      | <b>700.0</b>      | <b>700.0</b>                          | <b>700.0</b>     | –                     | –                |
| <b>State Miscellaneous Revenue (SMR)</b>             | <b>339.2</b>      | –                 | –                                     | –                | –                     | –                |
| <b>TOTAL TAX REVENUE (gross)</b>                     | <b>495 515.1</b>  | <b>571 063.0</b>  | <b>652 768.5</b>                      | <b>642 268.6</b> | <b>711 480.9</b>      | <b>777 947.7</b> |
| <b>Departmental revenue</b>                          | <b>9 098.2</b>    | <b>10 578.2</b>   | <b>11 141.4</b>                       | <b>11 141.4</b>  | <b>12 401.1</b>       | <b>14 198.1</b>  |
| <b>Transactions in assets and liabilities</b>        | <b>1 782.3</b>    | <b>1 033.6</b>    | <b>863.6</b>                          | <b>863.6</b>     | <b>1 148.9</b>        | <b>801.9</b>     |
| <b>Less: SACU payments</b>                           | <b>-25 194.9</b>  | <b>-24 712.6</b>  | <b>-28 920.6</b>                      | <b>-28 920.6</b> | <b>-32 143.0</b>      | <b>-33 992.0</b> |
| <b>TOTAL BUDGET REVENUE</b>                          | <b>481 200.7</b>  | <b>557 962.3</b>  | <b>635 852.9</b>                      | <b>625 353.0</b> | <b>692 887.9</b>      | <b>758 955.7</b> |
| <b>Current revenue</b>                               | <b>479 418.4</b>  | <b>556 928.7</b>  | <b>634 989.2</b>                      | <b>624 489.3</b> | <b>691 739.0</b>      | <b>758 153.7</b> |
| Direct taxes   | 286 382.4         | 339 850.0         | 392 794.5                             | 378 193.6        | 418 821.9             | 464 063.7        |
| Indirect taxes                                       | 208 793.6         | 231 213.0         | 259 974.0                             | 264 075.0        | 292 659.0             | 313 884.0        |
| State Miscellaneous Revenue (SMR)                    | 339.2             | –                 | –                                     | –                | –                     | –                |
| Departmental revenue                                 | 9 098.2           | 10 578.2          | 11 141.4                              | 11 141.4         | 12 401.1              | 14 198.1         |
| Less: SACU payments                                  | -25 194.9         | -24 712.6         | -28 920.6                             | -28 920.6        | -32 143.0             | -33 992.0        |
| <b>Transactions in assets and liabilities</b>        | <b>1 782.3</b>    | <b>1 033.6</b>    | <b>863.6</b>                          | <b>863.6</b>     | <b>1 148.9</b>        | <b>801.9</b>     |
| <i>Receipts not regarded as revenue</i>              | <i>3 438.0</i>    | <i>1 927.0</i>    | <i>850.0</i>                          | <i>850.0</i>     | <i>850.0</i>          | <i>600.0</i>     |