

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER 1304**

**DATE OF PUBLICATION: 26 APRIL 2010**

**Mr M G Oriani-Ambrosini (IFP) to ask the Minister of Finance:**

Whether he or the National Treasury has a policy position relating to (a) the so-called wealth tax or (b) the establishment of a (i) civil society commission to review and assess the entire tax system and/or (ii) a tax ombudsman; if not, why not; if so, what are the relevant details in each case?

NW1533E

**REPLY**

- (a) It is not clear what the Honorable member means by “the so-called wealth tax”. The current tax policy is contemplated in the 2010 Budget Review, which indicates that the key national tax on individuals in South Africa is the personal income tax including capital gains tax. Whilst we do not have any explicit wealth tax, we do tax wealth via the estate duty. Furthermore, at a local level, one component of wealth is also taxed through municipal property rates.
- (b) (i) The last civil society Commission to assess the entire tax system was the Katz Commission, which commenced its work in 1994 and concluded it in 1999. There is no basis to review the entire tax system at this stage. However, we do assess specific taxes on an ongoing basis, as we do with regard to taxes on the environment, financial instruments, alcohol, estate duty and gambling.
- (ii) The establishment of a tax ombud is under review. However, SARS and the Minister of Finance established the Service Monitoring Office (SMO) in 2002 in order to assist taxpayers when they believe that SARS has treated them unfairly and failed to adhere to its service charter.

The SMO is independent from the branch offices and exists to fast track and follow up on complaints and procedural matters that cannot be resolved at a branch office level. Furthermore, section 182 of the Constitution of the Republic of South Africa, 1996, and the Public Protector Act, 1994, provide that the Public Protector has the power to investigate the conduct of any public entity, either on his/her own initiative or on the basis of a complaint.