

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER 1029**  
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**MRS Z B N BALINDLELA (COPE) TO ASK THE MINISTER OF FINANCE:**

- (1) (a)(i) How many taxpayers are registered and (ii) what type of tax is being paid and (b) how many persons are estimated to be evading paying tax;
- (2) whether National Treasury has put any measures in place to clamp down on tax evasion; if not; why not; if so, what are the relevant details?

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**REPLY:**

- (1) Statistics showing the number of registered taxpayers, the tax types for which they are registered, and the revenue collected from each type of tax are jointly published by the National Treasury and the South African Revenue Service each year. This publication is available on the SARS website ([www.sars.gov.za](http://www.sars.gov.za)).
- (a)(i) According to the most recent *2011 Tax Statistics* the following numbers of taxpayers and traders are registered:
  - Individuals (PIT): 10 346 175
  - Companies (CIT): 2 078 182
  - Trusts: 326 649
  - Employers (PAYE): 386 428
  - VAT vendors: 664 267
  - Importers: 238 779
  - Exporters: 217 359

- (a)(ii) The main tax that individuals and trusts pay is Personal Income Tax which totalled R226.9 billion in 2010/11. Corporate Income Tax collected in 2010/11 amounted to R132.9 billion; Value-Added Tax (VAT) collected was R183.6 billion and Custom duties collected from imported goods was R26.6 billion.

These four major taxes constitute approximately 85% of revenue collected. The remaining 15% of revenue collections is from a variety of other smaller taxes and duties details of which are available in the annual Budget Review and SARS Annual Report which are tabled in Parliament each year.

- (b) The vast majority of taxpayers and traders in South Africa are compliant and meet their obligations. However, there remains a small minority which is not fully compliant. It is not possible to accurately estimate the number of taxpayers in this category but SARS has a variety of strategies and mechanism aimed at detecting and deterring non-compliance including tax evasion. These are covered in more detail in the next section.

2. SARS's mandate is to ensure compliance with tax and customs legislation and it reports on its various strategies to pursue this mandate in its annual Strategic Plan which is tabled in Parliament each year. At the end of each financial year SARS also reports on the outcomes achieved in pursuing this mandate in its Annual Report.

The SARS Strategic Plan 2012/13 – 2016/17, recently tabled in Parliament, provides a range of education, service and enforcement initiatives and measures to grow and maintain a culture of compliance among the entire South African taxpayer and trader population.

Furthermore, in April 2012 SARS also published its inaugural five-year SARS Compliance Programme (available at [www.sars.gov.za](http://www.sars.gov.za)) which

provides for an enhanced focus on seven key areas where research has shown that compliance is sub-optimal. These areas are:

- Wealthy South Africans and their trusts
- Large business and transfer pricing
- Construction industry
- Illicit cigarettes
- Undervaluation of imports in the clothing and textile industry
- Tax practitioners and trader intermediaries
- Small businesses

The successes in identifying and taking action against non-compliant taxpayers during the past financial year, which were reported on in this year's Budget speech, include:

- Over 230 taxpayers were successfully prosecuted for a range of tax related offences, bribery and fraud, resulting in sentences totalling 370 years and nearly R5 million in fines.
- A further 1500 tax-related cases are currently awaiting prosecution with the National Prosecution Authority.
- SARS issued over 700 000 taxpayers with administrative penalties for failing to submit an income tax return on time as required.
- The Voluntary Disclosure Programme in 2011 elicited approximately 18 000 applications and almost R1 billion in additional tax has so far been identified.