

NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 236 [CW332E]

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Mr D A Worth (DA-FS) to ask the Minister of Finance:

- (1) Whether the collection of the 2% carbon emissions tax that has been introduced on all new passenger vehicles which produces 120mg emissions or more has commenced; if not, what is the position in this regard; if so, what is the total amount collected since the implementation of the tax up to the latest specified date for which information is available;
- (2) whether the collected taxes will be paid into the general fiscus; if not, why not; if so, what are the relevant details;
- (3) whether these funds will be reallocated for (a) the upgrading of highways or (b) addressing environmental issues; if not, for what purpose will these funds be used; if so, what are the relevant details? CW332E

REPLY:

- 1) Yes, the emission tax on new passenger vehicles was introduced on 01 September 2010, and for new double cab bakkies on 01 March 2011 as published in Government Gazette 33514 of 31 August 2010, following the 2010 Budget announcement (2010 Budget Review, p.79). It should be noted that the tax is imposed on CO₂ emissions above 120 g/km at R75 per g/km for passenger vehicles and at R100 per g/km for CO₂ emissions above 175 g/km for double cabs, and not at a rate of 2 per cent.

As published in the monthly revenue report in terms of section 32 of the Public Finance Management Act, available on the National Treasury website on the 30th of every month, the total tax collected per fiscal year from 1 September 2010 until the end of April 2012 is as follows:

- | | |
|---------------------------------------|-------------------|
| a. 1 September 2010 to 31 March 2011: | R625.89 million |
| b. 1 April 2011 to 31 March 2012: | R1 617.35 million |
| c. 1 April 2012 to 30 April 2012: | R141.38 million |

Adding the above amounts, the revenue from the vehicle emissions tax for the 20 month period from 1 September 2010 to 30 April 2012 is R2 384.63 million. All the above information is published, regularly on the National Treasury website within 30 days after the end of each month.

- 2) Yes, as noted in the annual Budget Review, the revenue from the vehicle tax forms part of the National Revenue Fund, which is the government's general revenue and is not earmarked for specific expenditure programmes. This is in terms of section 213 of the Constitution, which requires that all money received by the national government must be paid into the National Revenue Fund, except money reasonably excluded by an Act of Parliament. The annual budget process then makes allocations to various programmes and projects, including those made for environmental initiatives, e.g. measures to deal with air pollution, climate change and incentives for renewable energy, etc. and for transport.
- 3) All the allocations made from the National Revenue Fund are set out in the 2012 Budget Review, the Estimates of National Expenditure, the annual Appropriation Bill and the Division of Revenue Bill, tabled with the Budget. In particular please refer to Table 37.2 on page 852 of the 2012 Estimates of National Expenditure, for responses to the questions posed.
 - a. No
 - b. No

From the Budget documents for the fiscal year 2012/13, it is evident that allocations of R4.51 billion and R38.83 billion were made to the national Departments of Environmental Affairs and Transport respectively. Of the R38.83 billion allocated to the national Department of Transport R17.93 billion is for roads, R10.30 billion for rail, and R9.99 billion for public transport. These amounts do not include allocations to Provinces and Municipalities which are outline in the 2012 Division of Revenue Bill.