

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 1791 [NW2010E]
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1791. Mr N F Shivhambu (EFF) to ask the Minister of Finance:

- (1) What is the breakdown of the taxable income derived from the mining sector in terms of each of the specified top 20 mining companies in the (a) 2013-14 and (b) 2014-15 financial years;
- (2) What is the effective tax rate for each of the specified top 20 mining companies, with particular reference to (a) BHP Billiton Ltd and (b) EXXARO Resources?
NW2010E

REPLY:

The South African Revenue Service (SARS) and National Treasury publish aggregated tax statistics every year, with the last one “**2014 Tax Statistics**” published in November 2014. This document provides aggregated tax information, with breakdowns for type of tax or royalty, and by sector. For the most recent tax year where reliable information is available (containing all available assessments), the 2012 tax year, the mining and quarrying sector contributed at least R19.4 billion (comprising just under R13 billion in corporate income tax, and R6.4¹ billion for the mining royalty, which technically is not a tax). The mining and quarrying sector also contributes significantly to PIT, with Table A2.3.1 (see 2014 Tax Statistics publication) indicating a PAYE payment of R15.2 billion (rounded) in 2013/14 fiscal year, and also contributes towards VAT and other taxes.

With regard to the company-specific tax information, I do not have such information, and am therefore not in a position to provide such information, as any tax information submitted to SARS is regarded as confidential in terms of Chapter 6 of the Tax Administration Act (No. 28 of 2011) (TAA). Neither can SARS legally provide such information to Parliament nor to the Minister of Finance for the purposes of this question. The National Treasury may only obtain data/ information from SARS on an aggregate basis for a “class of taxpayers for the purposes of tax policy design or revenue estimation”.

As the companies noted in question 2 are listed on the Johannesburg Stock Exchange (JSE), some information may be obtained from their published annual reports, which the Honourable Member is at liberty to obtain from the companies (or their websites) or the JSE.

¹ The R6.4 billion refers to royalty payments for the 2013/14 fiscal year.

With regard to the aggregated information published in the 2014 Tax Statistics document, I refer the Honourable Member to Tables A3.4.3 and A3.4.4 on pages 150 and 151 of the said publication – provided below is an extract of the information for the mining and quarrying sector. Data for the period 2007 to 2009 was sourced from previous Tax Statistics publications.

Table A3.4.3: Companies: Taxable income and tax assessed by sector (Companies reporting positive taxable income), 2007 – 2012

Tax year	2007 [104.3% assessed tax as % of provisional tax]			2008 [102.2% assessed tax as % of provisional tax]			2009 [98.7% assessed tax as % of provisional tax]			2010 [99.2% assessed tax as % of provisional tax]			2011 [99.3% assessed tax as % of provisional tax]			2012 [95.4% assessed tax as % of provisional tax]		
Sector	Number of taxpayers	Taxable income (R million)	Tax assessed (R million)	Number of taxpayers	Taxable income (R million)	Tax assessed (R million)	Number of taxpayers	Taxable income (R million)	Tax assessed (R million)	Number of taxpayers	Taxable income (R million)	Tax assessed (R million)	Number of taxpayers	Taxable income (R million)	Tax assessed (R million)	Number of taxpayers	Taxable income (R million)	Tax assessed (R million)
Mining and quarrying	525	48 580	14 146	574	93 225	26 293	571	50 831	14 381	573	49 120	13 700	511	67 446	19 113	437	47 189	12 982

The fluctuations in the corporate income tax revenues paid by this sector, as per Table A3.4.3, in terms of rounded figures, from R14.1 billion in the 2007 tax year to R26.3 billion in the 2008 tax year, down to R14.4 billion in the 2009 tax year, and R13 billion in the 2012 tax year (the most recent year for which the level of detail is publically available) is an indication of the impact that commodity prices have had on mining corporate income tax revenues.

Table A3.4.4: Companies: Taxable income and tax assessed by sector (Companies with assessed losses), 2007 – 2012

Tax year	2007 [104.3% assessed tax as % of provisional tax]			2008 [102.2% assessed tax as % of provisional tax]			2009 [98.7% assessed tax as % of provisional tax]			2010 [99.2% assessed tax as % of provisional tax]			2011 [99.4% assessed tax as % of provisional tax]			2012 [95.9% assessed tax as % of provisional tax]		
Sector	Number of taxpayers	Taxable income (R million)	Tax assessed (R million)	Number of taxpayers	Taxable income (R million)	Tax assessed (R million)	Number of taxpayers	Taxable income (R million)	Tax assessed (R million)	Number of taxpayers	Taxable income (R million)	Tax assessed (R million)	Number of taxpayers	Taxable income (R million)	Tax assessed (R million)	Number of taxpayers	Taxable income (R million)	Tax assessed (R million)
Mining and quarrying	724	-16 981	–	799	-19 115	0	919	-23 856	13	1 001	-31 757	15	872	-29 200	–	700	-28 494	0

Table A3.4.4 above suggests that there are quite a large number of smaller mining and quarrying companies that have been in a loss-making position since 2007.

Additional aggregate information can be obtained from Statistics South Africa.

- (1) For the reasons outlined above in terms of the secrecy of tax information submitted to SARS (Chapter 6 of the TAA), I do not have the information requested on the two companies referred to by the Honourable Member.