

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 227 [NW248E]**  
**DATE OF PUBLICATION: 12 FEBRUARY 2015**

**227. Adv A de W Alberts (FF Plus) to ask the Minister of Finance:**

- (1) Why Mineral and Petroleum Royalties are not classified as non-taxable income in the Revenue and Taxation Proposals of 2014;
- (2) what is the current definition of non-taxable income;
- (3) whether Mineral and Petroleum Royalties are currently regulated, and will in the future be regulated, by the Taxation Act or by the Mineral and Petroleum Resources Development Act, Act 28 of 2002?

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**REPLY:**

- (1) Revenues from Mineral and Petroleum Royalties are included as part of non-tax revenues, in line with the IMF classification outlined in the Government Finance Statistics Manual (2001) – Chapter 5. In terms of how we implement this classification, refer to the 2014 Budget Review, Table 3 (under Rent on Land) of Annexure B on page 136 and to Table's 4.8 and 4.9 on pages 58 and 59. (It should be noted that the reference to non-taxable income is not appropriate in this context - it should be non-tax revenue. Non-taxable income is a concept used in the income tax act and usually refers to income that is not subject to income tax, e.g. certain government grants, reimbursements for certain expenses incurred – such as travelling or hotel accommodation, etc.)
- (2) Non-tax revenues include departmental revenues such as fees, fines and the sale of goods and services by the State, interest income, dividends that accrue to the state from public entities and rent on land. Refer to Table 3 of Annexure B on page 136 of the 2014 Budget Review.
- (3) The imposition of Mineral and Petroleum Royalties is mentioned in the Mineral and Petroleum Resources Development Act, Act 28 of 2002 but in terms of section 77 of the Constitution on money bills, it is imposed through the Mineral and Petroleum Resources Royalty Act (Act No. 28 of 2008), supported by the Mineral and Petroleum Resources Royalty (Administration) Act (Act No. 29 of 2008).