

The Davis Tax Committee

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MEDIA STATEMENT:

RELEASE OF DAVIS TAX COMMITTEE SME REPORT FOR PUBLIC COMMENT

14 July 2014

Given its Terms of Reference and the nature of its work, The Davis Tax Committee (DTC) submitted a small and medium enterprise (SME) interim report to the Minister of Finance at the beginning of 2014. The SME Sub-Committee consulted widely and took into account 28 submissions from the public in producing the report.

The Minister of Finance subsequently announced in the 2014 Budget Review that two SME recommendations by the Committee have been accepted and that the SME report will be released for public comment.

The updated SME interim report is now available for public comment on the DTC website www.taxcom.org.za and the National Treasury website www.treasury.gov.za

In essence, the report covers the following areas relating to the taxation of SMEs:

- The role of SMEs in the economy;
- The definition of a small business;
- Challenges facing SMEs, especially the tax compliance burden;
- A review of income tax incentives for “small business corporations”;
- A review of the income tax incentive for “venture capital companies” to fund small businesses;
- A review of the alternative presumptive turnover tax system for “micro businesses”;
- A review of the Value-Added Tax requirements for SMEs;
- The impact of the new Employment Tax Incentive on SMEs.

Comments on the SME interim report can be sent by e-mail to www.taxcom@sars.gov.za or by post to PO Box 2344, Brooklyn Square, Pretoria, 0075. The closing date for comments is 31 August 2014.

Questions relating to this Media Statement can be directed to Mr Vinesh Pillay (Head of Secretariat for the Davis Tax Committee) on the telephone number 012 432 9390.