

Summary of the national budget

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R million	2005/06		2006/07	2007/08	2008/09
	Budget estimate	Revised estimate	Budget estimate	Medium term estimates	
REVENUE					
Estimate of revenue before tax proposals			465 489		
Tax proposals					
Taxes on individual and companies			-14 925		
Personal income tax			-12 125		
Adjust personal income tax rate structure			-13 500		
Increase in interest and dividend exemption under 65 years			-50		
Increase in interest and dividend exemption 65 years and over			-45		
Increase thresholds for learnership allowances			-80		
Increase PAYE withholding rate on motor allowances and fringe benefit on company cars			1 370		
Capping of medical scheme contributions			180		
Corporate income tax					
Reduction in retirement fund tax			-2 400		
Small business tax relief					
Increase in monetary thresholds			-400		
Taxes on property			-4 540		
Increase thresholds of donations tax and estate duty			-40		
Adjust table for transfer duties			-4 500		
Stamp duties			-10		
Increase threshold exemption for stamp duties on leases					
Taxes on goods and services			348		
Increase in duties on alcohol			725		
Increase in duties on tobacco products (52% incidence)			645		
Abolish <i>ad valorem</i> excise duties on certain products			-22		
Zero rating of municipal property rates			-1 000		
Estimate of revenue after tax proposals	369 869	411 085	446 362	492 003	547 091
Percentage change from previous year			8,6%	10,2%	11,2%
EXPENDITURE					
Statutory and standing appropriations	193 913	192 669	209 599	228 408	250 781
Cost of servicing state debt	53 125	51 160	52 049	53 324	55 716
Provincial equitable share	134 706	135 292	150 753	167 701	187 100
Skills development levy	3 259	4 934	5 500	6 000	6 500
Other 1)	2 823	1 283	1 297	1 383	1 465
Appropriated by vote	221 406	226 307	260 026	284 466	310 347
Current payments	71 111	71 526	80 983	87 985	94 439
Transfers and subsidies	144 140	149 128	173 066	189 881	208 478
Payments for capital assets	6 155	5 653	5 976	6 601	7 430
Plus:					
Unallocated funds	500	-	600	1 300	2 140
Contingency reserve	2 000	-	2 500	5 000	8 000
Estimate of national expenditure	417 819	418 976	472 725	519 174	571 268
Percentage change from previous year			12,8%	9,8%	10,0%
2005 Budget estimate of expenditure		417 819	456 393	494 894	
Increase / decrease (-)		1 157	16 332	24 280	

1) Salaries of Members of Parliament, salaries of judges and standing appropriations (claims on guarantees and subscriptions to funds of the World Bank, African Development Bank and International Monetary Fund).

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Revenue	369 869	411 085	446 362	492 003	547 091
Expenditure	417 819	418 976	472 725	519 174	571 268
National budget deficit	-47 950	-7 890	-26 363	-27 171	-24 177
<i>Percentage of GDP</i>	-3,6%	-0,5%	-1,5%	-1,4%	-1,2%
Plus: Extraordinary transfers	-7 000	-8 871	-	-	-
Less: Extraordinary receipts	1 529	6 496	1 700	1 450	1 450
Net borrowing requirement	-53 421	-10 265	-24 663	-25 721	-22 727
Financing					
Change in loan liabilities					
Domestic short-term loans (net)	4 974	5 850	5 800	5 750	5 750
Domestic long-term loans (net)	25 768	23 306	8 694	16 529	22 996
Loans issued for financing:	18 768	19 065	8 694	16 529	22 996
New Loans	48 431	46 220	45 489	48 918	49 417
Less: Discount	-3 291	-781	-989	-1 918	-1 417
Redemptions (net of book profit)	-26 372	-26 374	-35 806	-30 471	-25 004
Loans issued for switching	-	-299	-	-	-
New Loans	7 000	4 266	-	-	-
Less: Discount	-	-25	-	-	-
Loans switched (net of bookprofit)	-7 000	-4 539	-	-	-
Loans issued for extraordinary purposes	7 000	4 539	-	-	-
New Loans	7 000	4 539	-	-	-
Foreign loans (net)	12 039	742	2 415	3 638	2 362
Market loans	9 390	50	6 240	6 850	7 880
Arms procurement loan agreements	4 708	3 164	3 569	2 941	2 139
Less: Discount on issues of new loans	-	-	-	-	-
Redemptions (including revaluation of loans)	-2 059	-2 472	-7 394	-6 153	-7 657
Change in cash balances	10 640	-19 633	7 754	-196	-8 381
Total financing (net)	53 421	10 265	24 663	25 721	22 727