

## **NATIONAL COUNCIL OF PROVINCES**

### **QUESTION FOR WRITTEN REPLY**

#### **QUESTION NUMBER 158**

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#### **MR D A WORTH TO ASK THE MINISTER OF FINANCE:**

Whether any municipalities are in arrears with paying over tax on behalf of their employees to the SA Revenue Service (SARS); if so, (a) which municipalities, (b) what is the number of employees per municipality, (c) what are the amounts owed by each municipality and (d) what attempts are being made to recover such amounts?

**C346E**

#### **REPLY:**

In as far as (a) to (c) are concerned, the municipalities are regarded as taxpayers in terms of the Income Tax Act, 1962. Section 4 of the Act, therefore, prohibits the provision of the information requested. Therefore the information requested is provided without naming the taxpayer. 23 municipalities are indebted to SARS. The information is valid up to the end of October 2005.

The total amount received from the municipalities' amounts to R 988,000,000 of which R 19,732,343.88 is in arrears in respect of Employees Tax (PAYE). The amount includes penalties and interest.

(d) In cases where debt is outstanding from municipalities, SARS follows normal recovery procedures to recover any amounts in arrears. Such steps include:

- Engaging the taxpayer verbally and in writing
- The issuing of final demands
- The issuing of summonses in case of persistent failure to pay.