

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 1401 [NW1640E]

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Mr M Swart (DA) to ask the Minister of Finance:

Whether he intends increasing the income tax of middle- and high-income groups to subsidise rates payable in local authorities; if not, what is the position in this regard; if so, by how much will the income tax for these groups increase?

NW1640E

REPLY

No, there is no intention by National Government to subsidise municipal property rates.

The funding needs of all spheres of government, including local government, are subjected to a comprehensive annual budget process where priority government programmes are funded within the available revenue pool.

Any exemptions, rebates and/or discounts for municipal property rates payable to municipalities are regulated in terms of the Local Government: Municipal Property Rates Act and the rates policies of individual municipalities. The Minister of Cooperative Governance and Traditional Affairs is responsible for the administration of the Municipal Property Rates Act. The Act provides relief to all residential property owners by exempting the first R15 000 of the market value of a property from property rates. Any further relief is determined in terms of a municipality's rates policy. Municipalities need to ensure that any exemptions, rebates and/or discounts granted provide an appropriate balance between providing relief to the poor and collecting sufficient revenues to perform their service delivery responsibilities.