

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 1678

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Dr P J Rabie (DA) to ask the Minister of Finance:

Whether the Government intends introducing the Australian example of a super tax on resource profits; if not, what is the position in this regard; if so; what are the relevant details?

NW1941E

REPLY

As a rule the Government only announces tax proposals at the time of the tabling of the annual Budget in Parliament and there is no reason to deviate from this practice. However, the 2010 Budget (page 74 of the 2010 Budget Review) did provide for the implementation of the Mineral Royalty and Petroleum Resources Act, 2008, will come into effect on 1 March 2010. In terms of this Act, the royalty rates on various minerals are based on two formulae that incorporate a profit element, and thus effectively taxes some of the super profits that the resource sector generates from time to time. To the extent that there may be any change on the current tax policy or any new tax proposals, announcements will be made and own circumstances will also be taken into account.