

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER 1845 [NW2081E]**  
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**Mr M Swart (DA) to ask the Minister of Finance:**

- (1) Whether his department is currently considering alternative measures for procuring funds for local authorities to augment their income; if not, why not; if so,
- (2) Whether he intends introducing a local business tax for this purpose; if not, why not; if so, what are the relevant details?

NW2081E

**REPLY:**

- (1) Yes. Initiatives currently underway in National Treasury that supports municipal revenue mobilisation include (a) introducing a differentiated funding approach to local government that takes into account the different service delivery and developmental responsibilities (expenditure needs) and tax base (own revenue raising abilities) of the different types and categories of municipalities; (b) strengthening municipal budget monitoring, oversight and support that will enable municipalities to optimize existing municipal revenues; and (c) exploring ways in which municipalities can leverage private finance to mobilise additional resources to fund infrastructure investments.
- (2) Any new tax for a municipality is prescribed in section 5 of the Municipal Fiscal Powers and Functions Act. I will only comment on any new tax proposals as per the requirements stipulated in the Municipal Fiscal Powers and Functions Act, whereafter I will formally announce the outcomes of this process on Budget Day.