

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 114 [NW1074W]
DATE OF PUBLICATION: 28 JUNE 2019

114. Mr R A Lees (DA) to ask the Minister of Finance:

Whether the SA Revenue Service levied fringe benefit tax on motor vehicles provided free of charge by branches of Government for private use to (a) Members of the Executive, (b) Members of Executive Councils, (c) Members of Mayoral Councils and/or (d) any other public representatives (i) in each of the past five financial years and/or (ii) since 1 April 2019; if not, in each case, why not; if so, what are the relevant details in each case?

NW1074E

REPLY:

Every employer (including Government at national, provincial and local level) must withhold and pay monthly employees' tax (PAYE) from taxable fringe benefits and disclose the value of the benefits on employees tax certificate (IRP5's). This applies to all employees including Members of the Executives, Members of Executive Councils, Members of Mayoral Councils and other public representatives. SARS assesses these benefits to tax when the employees submit their tax returns after the end of the tax year. In this regard, tax liability is assessed based on self-disclosures as well as third-party data such as the data submitted by an employer on an IRP5.

A taxable benefit arises when an employee is granted the right to use a motor vehicle for private purposes or partly for private purposes. The value of the benefit for tax purposes varies depending on the particular circumstances, such as whether the vehicle was acquired under an operating lease or whether vehicle was acquired with a maintenance plan. Certain no value rules may also apply, such as when the vehicle is "pool vehicle" used by employees in general, or business use is required after hours and private use is incidental.

The tax affairs of taxpayers are confidential in terms of Chapter 6 of the Tax Administration Act and information in relation to any particular employer or employee, or class of employer or employees is therefore not available.