

**NATIONAL COUNCIL OF PROVINCES
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 301 [CW313E]**

301. Mr S F du Toit (North West: FF Plus) to ask the Minister of Finance:

(a) How much was lost in (i) revenue and (ii) taxes during the Covid-19 lockdown as a result of non-black economic empowerment compliant businesses that had to close down and (b) how many jobs were lost as a result thereof?

CW313E

REPLY:

(a)(i) As communicated at the supplementary budget for the year to date period 01 April 2020 up until 31 May 2020 SARS collected an amount of R142.3bn against a Printed Estimate (PE) of R179.4bn, yielding a deficit of R 37.1bn (-20.7%) with Prior Year (PY) growth at R-33.3bn (-19.0%).

The above revenue shortfalls can largely be attributed to the impact of the nationwide economic lockdown, which was implemented in response to the Covid-19 pandemic. The fact that the main tax types namely PAYE, VAT, CIT and Import Taxes under pressure provides a clear indication of an ailing economy that has been hit hard by the pandemic amongst other pre-COVID 19 challenges including deteriorating compliance.

(ii) The tax administration system does not collect primary information on BBBEE compliant and non-BBBEE statuses of taxpayers as such referral is made to the relevant government agencies that administer such information

(b) Whilst SARS administers tax directives including retrenchments, correlating tax directives to job losses in entities that are BBBEE or non-BBBEE compliant is not in the purview or mandate of the South African Revenue Service. In this regard, deferral is made to the relevant government agencies.