

Govt doing all it can to ensure sustainable debt levels

Government is doing all it can to ensure sustainable debt levels, while also delivering services to the people, Finance Minister Pravin Gordhan said on Monday.



(Image: GCIS)

"When the crisis hit in 2008/09, we had a fiscal surplus which enabled us to absorb the shock from the recession. Our debt still remains fairly modest by international standards.

"We are doing everything possible as government to ensure that we maintain the sustainability of our debt picture on the one hand, and deliver effectively to South Africans that which we are required to deliver," said the minister at the launch of the South African Revenue Service (SARS) 2012 tax season.

Fiscal strength, he said, played an important part in sustaining government itself and the economy.

In the recession, South Africa lost R60bn in revenue that has not been recovered.

"We have managed to have a low debt load even by international standards. Where gross debt might reach, about 42% over the next three years, we are still better off than most countries in the world as far as our debt load is concerned," he noted.

Government would continue maintaining the same level of spending as before the recession.

"We will sustain the same level of spending as we had prior to the recession. While we have made downward adjustments in our spending patterns, we'll still sustain real growth in spending," he added.

About 5 million South Africans are expected to complete their tax returns in the current tax season.

Those who do not adhere to filing their returns will incur penalties.

"All taxpayers are given adequate time to fill out their returns. Those with outstanding returns are informed of this and if they ignore the encouragement from SARS to submit outstanding returns, then there are legal processes followed.

"Once they are completed, the taxpayer will be levied with a penalty and there are provisions for the appointment of an agent. The issue is submitting the return, it isn't the penalty," added the Minister.

About 300 000 people were paying penalties on a monthly basis.

Meanwhile, Gordhan said he was aware of instances where taxpayers' money was not used effectively as it should.

"[We] want to assure taxpayers that we will continue to increase our efforts to ensure effective use of the money and effective implementation," said the minister.

The tax season began on 1 July. For taxpayers submitting manual returns via post or a SARS drop box, they have until 28 September to file, while non-provisional taxpayers who submit their returns via eFiling or at a SARS branch have until 23 November 2012 to make their submissions.

Provisional taxpayers who submit their returns via eFiling have until 31 January 2013 to do so.

For more, visit: <https://www.bizcommunity.com>