

President signs tax bills into law

President Cyril Ramaphosa has signed into law three 2018 tax bills that give legislative effect to the tax proposals announced by the Minister of Finance in last year's annual National Budget Speech.



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The Acts are available on the National Treasury and South African Revenue Service (Sars) websites.

They include the Rates and Monetary Amounts and Amendment of Revenue Laws Act, the Taxation Laws Amendment Act, 2018 and the Tax Administration Laws Amendment Act, 2018.

“The Rates and Monetary Amounts and Amendment of Revenue Laws Act, 2018 gives effect to significant tax proposals, such as changes in tax rates and monetary thresholds and excise duties on alcoholic beverages and tobacco products, as well as an increase in the VAT rate from 14% to 15%,” the National Treasury said.

National Treasury said this Act further gives effect to consequential proposals that were announced in the 2018 Medium Term Budget Policy Statement (MTBPS), such as the zero-rating of white bread flour, cake flour and sanitary pads.

These proposals followed the work of the Independent Panel of Experts, established by the Minister of Finance, to investigate potential mechanisms of mitigating the impact of the VAT rate increase on poorer households, after a lengthy public consultation process.

“The Taxation Laws Amendment Act, 2018 deals with technical and anti-avoidance measures aimed at forcing certain taxpayers to cease using certain tax planning techniques that have an adverse effect on the amount of taxes available for collection,” the National Treasury said.

The Tax Administration Laws Amendment Act, 2018 contains tax proposals that are technical and administrative in nature.

“It also contains a consequential amendment, proposed by the Standing Committee on Finance that requires the Minister of Finance to evaluate the impact of the VAT rate increase on revenue collection and the poor,” the National Treasury said.

The Minister of Finance will be expected to table a report in Parliament by no later than 30 June 2021.

“A Final Response Document on the 2018 Rates and Monetary Amounts and Amendment of Revenue Laws Bill, Final Response Documents and Explanatory Memorandum to the 2018 Taxation Laws Amendment Bill (TLAB) and Memorandum on the objects of the 2018 Tax Administration Laws Amendment Bill (TALAB) are also published.

“The Final Response Documents take into account submissions and decisions made following further inputs by stakeholders and the Standing Committee on Finance during public hearings on the 2018 Rates Bill and 2018 TLAB and TALAB,” the National Treasury said.

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