

Dear South Africa is a network of online platforms designed to facilitate government and encourage the public to participate in unbiased decision-making processes or policy formation at SOE, municipal, provincial and national levels.



## Tax Laws and Rates Amendments

31 July to 31 August 2020

The National Treasury and the South African Revenue Service (SARS) invited institutions, organizations, and individuals to submit written comments on the published draft amendments as set out in the gazette under the following sections:

- **Taxation Laws Amendment Bill (2020 draft TLAB)**
- **Tax Administration Laws Amendment Bill (2020 draft TALAB)**

In addition to the above, the 2020 draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill (2020 draft Rates Bill) was also published a second time for input.

The above draft notices for an amendment were published on the following dates respectively:

- **Taxation Laws Amendment Bill (2020 draft TLAB)**
  - Published Date: 26 February 2020
  - Original Closing Date: 31 March 2020
  - Extended closing date for public comment: 31 August 2020
- **Tax Administration Laws Amendment Bill (2020 draft TALAB)**
  - Published Date: 26 February 2020
  - Original Closing Date: 31 March 2020
  - Extended closing date for public comment: 31 August 2020
- **Rates and Monetary Amounts and Amendment of Revenue Laws Bill**
  - Published Date: 26 February 2020
  - Original Closing Date: 31 March 2020
  - Extended closing date for public comment: 31 August 2020

### **Submissions and enquiries were directed to;**

the National Treasury's tax policy depository at [2020AnnexCProp@treasury.gov.za](mailto:2020AnnexCProp@treasury.gov.za) and to Adele Collins, SARS at [acollins@sars.gov.za](mailto:acollins@sars.gov.za) .



Dear South Africa (DearSA) hosted a participation project through an online and mobile platform to facilitate, educate and encourage public participation and comment to shape this amendment.

<https://dearsouthafrica.co.za/tlab/>

#### Included on the web page was:

- 1 - the published Amendments and related documents as downloadable PDFs
- 2 - a summary of the amendments was also included
- 3 - a live view of public comments (with a counter and breakdown reflecting number of participants)
- 4 - video summaries
- 5 - links to relevant media articles
- 6 - a portal which posed 3 questions (with the option of three responses)
- 7 - a comment facility to provide input on the Amendment




Each public entry was individually delivered to 2020AnnexCProp@treasury.gov.za and acollins@sars.gov.za. DearSA also captured all public entries which have been used to produce this report.

**Note:** In order to accurately reflect public comment, DearSA's projects are unbiased and hold no partisan opinion or agenda. Raw captured data is attached as an Excel file.

A total of **13,648** comments were received by the set closing date of 31 August 2020 (included in the Excel file). This report reflects the entries received by the closing date.

#### Questions presented;

Do you support the proposals within the Draft [Tax] Rates Bill?

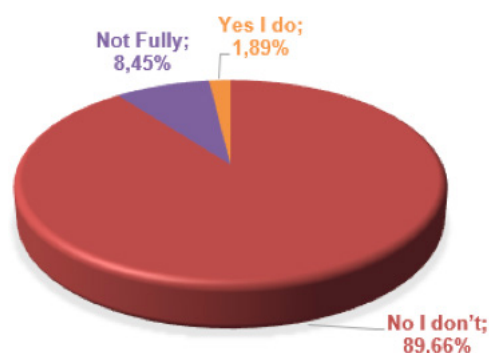
	Yes, I do	[452 selected]	3.31%
	No, I do not	[11,956 selected]	87.6%
	Not fully	[1,240 selected]	9.09%





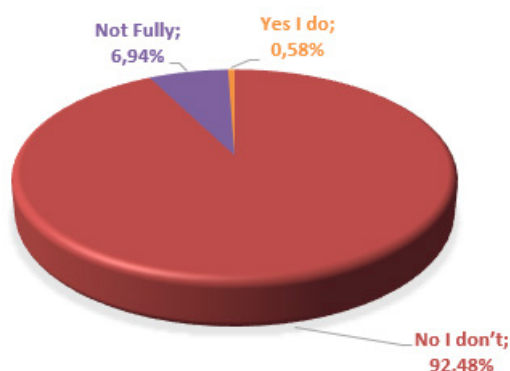
### Do you support the proposals within the 2020 Draft Tax Law Amendment Bill?

Yes, I do	[258 selected]	1.89%
No, I do not	[12,237 selected]	89.66%
Not fully	[1,153 selected]	8.45%



### Do you support the proposals within the 2020 Draft Tax Administrations Laws Amendment Bill?

Yes, I do	[79 selected]	0.58%
No, I do not	[12,622 selected]	92.48%
Not fully	[947 selected]	6.94%



## Comments

The participants are encouraged to provide comment to justify their selection in order to help shape the policy amendment.

**Of the "Yes, I do" comments**, there is a common theme that outlines the support to process these amendments to ensure that tax evaders and criminal activity are dealt with accordingly ensuring that the necessary taxes are paid according to genuine "profit or loss" statements. In addition to this, the public encourage an increase on "sin tax" as they feel if products such as alcohol or cigarettes are more expensive, this will discourage buyers and hopefully reduce the consumption rates.

#### Some of the "Yes, I do" comments carried conditions, including:

- 1 – These tax laws should be applied equally on all levels.
- 2 – A taxpayer should still be given an opportunity to defend accounting an error on submissions without immediately resorting to allegation of "criminal intent".
- 3 – The tax money received should be directly returned to the South African economy for growth opportunities and not utilised in ill respect.

**Of the “Not Fully” comments,** the public would like to see a tighter legislation regarding taxes payable to address the high number of criminal activities and corruption that take place daily in South Africa. However, the legislation still needs to be fair for toward the good standing taxpayers. The public show hesitancy to support these amendment Bills due to the reason that human error may take place and it is not a fair reflection to refer to these instances as performing an act with criminal intent. Every citizen should be treated as innocent until proven guilty whereas this draft amendment has been interpreted as “guilty before proven innocent” which also infringes on basic human rights.

**Majority of the Not Fully comments carried conditions, including:**

- 1 – Legislation should not put a citizen forward as “criminal” without a fair and thorough investigation to determine the differences between an inaccuracy and a deliberate evasion.
- 2 – Upon the tax collections, the received money should be accountable and trackable throughout the process to support the South Africa Economy instead of corruption and bribery.
- 3 – Make the tax submissions process transparent so that the young, old, professional, non-professional and everyone in between can submit their taxes correctly.
- 4 – With reference to sin tax, this should be done in balance. An all-time high product price will not stop people from abusing the product but rather engage them with an education and platforms to help them move away from the use of products such as alcohol and cigarettes.

**Of the “No I do not” comments** the public participants strongly opposed this amendment. The main concern was the interpretation that a minor mistake or error on your tax submission would deem you as a criminal. The public in this category say that this is totally unfit and unjust. Investigations are required to be carried out when an imbalance is identified by SARS or Government Officials.

Another finding from these views is that the public have a few questions relating to the proposed amendments in line with the following:

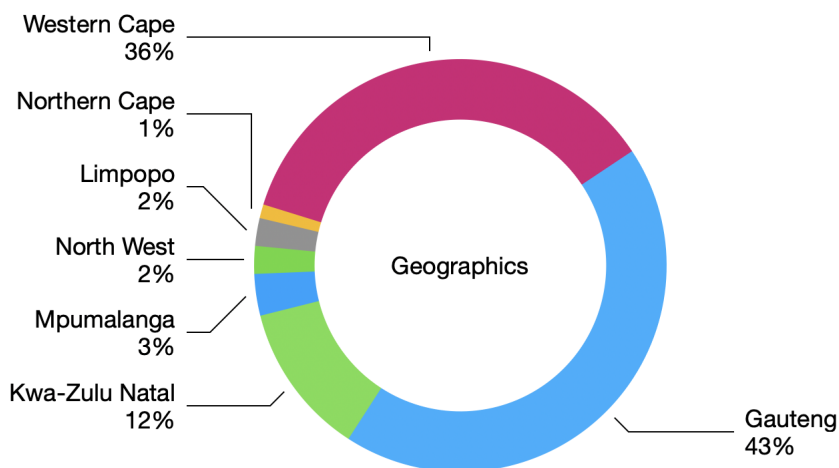
- How will the government transparently manage the conviction procedure if a large sum of the public makes an error in the new tax submission process?
- Has the Government made provision for this legislation within the courts and prisons? If not, would more serious crime offenders be released to make space for tax evaders who simply made an error?
- If the SARS institution were in error in the tax money owing by a recipient, how would this be dealt with? Would employees also be charged as “criminals”?

**Suggestions from the “No I do not” comments, include:**

- 1 – Let the existing legislative process prevail without making further amendments.
- 2 – Increase the effectiveness of the investigative functions within SARS to allow full focus on the genuine fraudulent cases.
- 3 – Corruption needs to be addressed but not by punishing the law-abiding citizens.

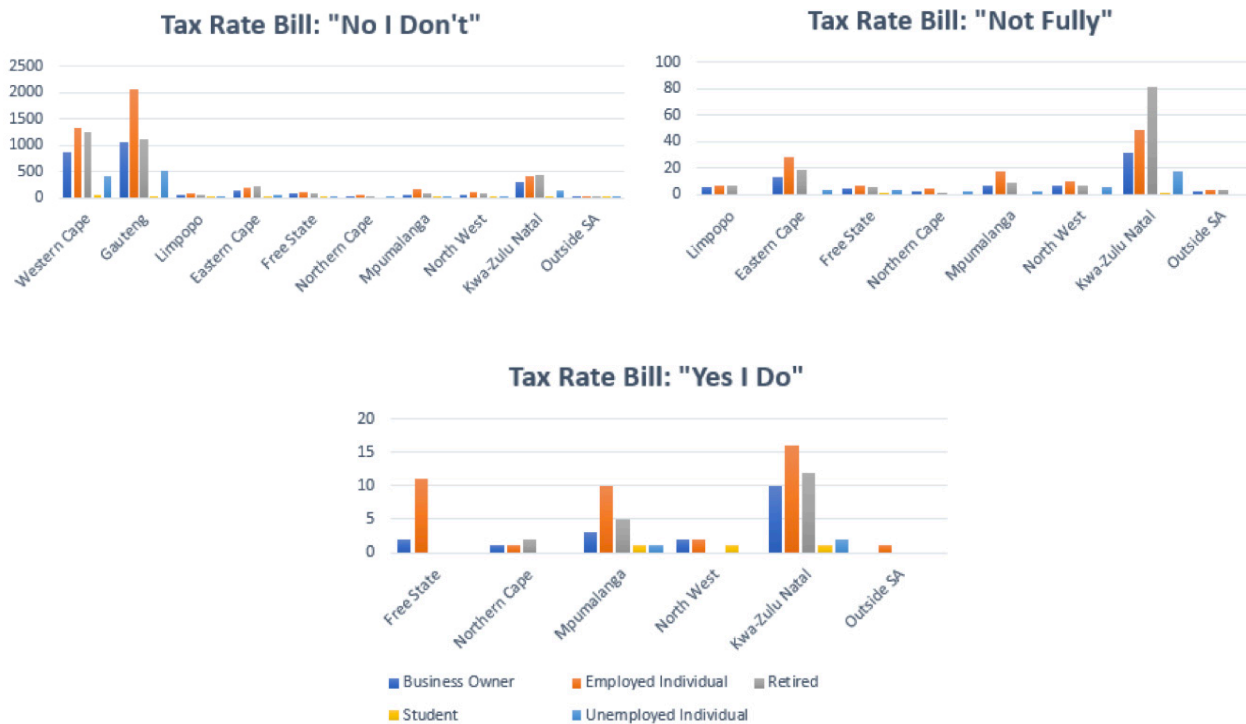
## Demographics

Comments originated from all provinces with the greatest input arising from Gauteng, followed by Western Cape and KZN. Demographics can be further broken down into comment options (yes, no, not fully) per region upon request.



## Employment Status Demographics (sorted according to comment type)

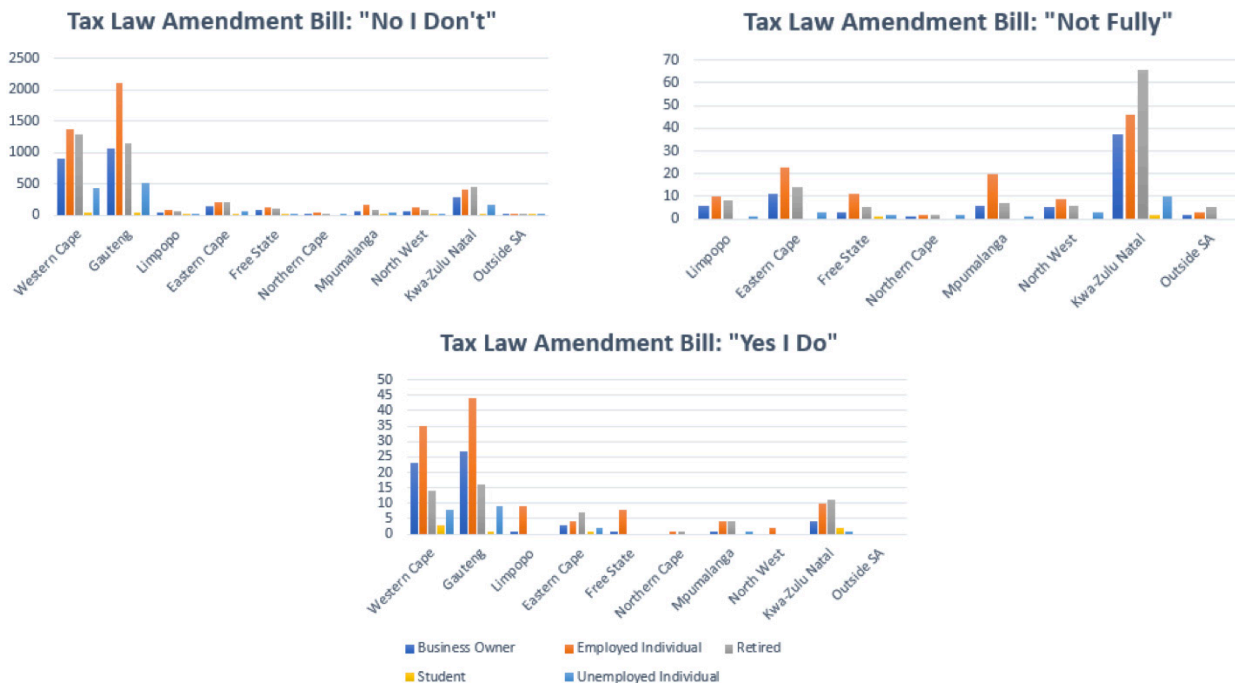
Do you support the proposals within the Draft [Tax] Rates Bill?





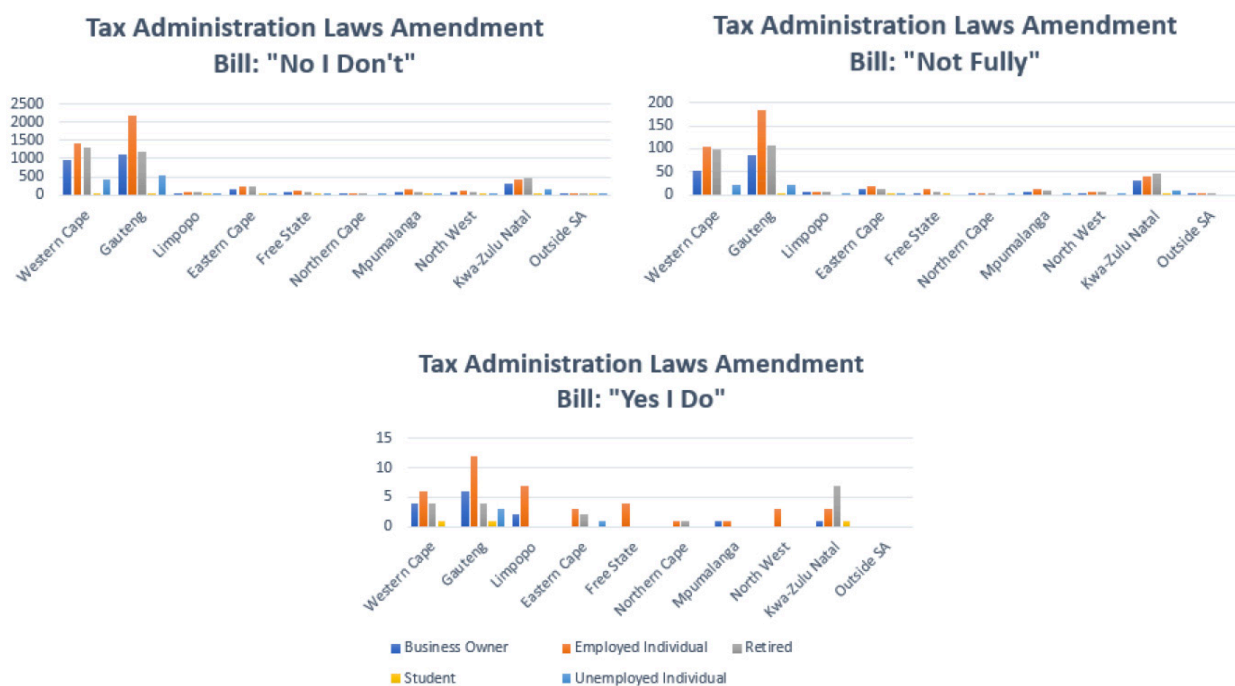
## Employment Status Demographics (sorted according to comment type)

Do you support the proposals within the 2020 Draft Tax Law Amendment Bill?



## Employment Status Demographics (sorted according to comment type)

Do you support the proposals within the 2020 Draft Tax Administrations Laws Amendment Bill?



Thank you

Rob Hutchinson - Dear South Africa