

SARS keeps raking in the money

The South African Revenue Service (SARS) has collected R814.1bn in the 2012/13 financial year, R4bn above the R810.2bn target set by Finance Minister Pravin Gordhan in February's budget, the Revenue Service said on Tuesday (2 April).



Image: GCS

The preliminary figures showed that personal income taxes contributed the most with R276.8bn, followed by tax contributions from corporates which amounted to R161bn, while value added tax (VAT) rake in R215.5bn.

The Minister revised the revenue target to R810.2bn in his February budget speech, from an earlier R826.4bn target in the previous budget.

Speaking at a media briefing in Pretoria, Gordhan said despite a R12bn shortfall from the original target, the revenue collected in the financial year was an achievement given the weaker economic growth.

"Getting R4bn (above the revised target) in the current circumstances is an incredible achievement," Gordhan said.

He said that the inability by SARS to meet the original R826bn target was affected by several factors, including slower economic growth.

Moreover, the investment by public corporations, and "higher than normal growth in revenue" in sectors such as finance, real estate, and business services had helped boost revenue.

"The compensation of employees increased, which contributed positively to growth in personal income tax," Gordhan said.

The R4bn, coupled with "some level" of under-spending by national and provincial government departments, would likely bring down the fiscal deficit to about 5% of gross domestic product (GDP), which "is extremely good news," Gordhan said.

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