

these and other related SSB tax issues through NEDLAC and strongly recommend that the NEDLAC process be finalised before a relevant Bill is brought to Parliament.

- 7.23.** We recommend that NT moves swiftly with introducing the legislative amendments to the tax laws to improve the administration, collection and reporting of information on PIT, CIT, Withholding taxes and VAT.
- 7.24.** The Committee requests tThe Davis Tax Committee to provides a report within the next 6 months on progress in respect of its investigation into tax administration, including the implementation of the new operating model, at SARS
- 7.25.** The Committees note that there are no studies conducted in the South African context to test the 'Laffer curve' theory and recommends that NT consider research in this regard.
- 7.26.** The Committees once again express their concern about the unproductive relationship between the Minister of Finance and the SARS Commissioner and recommends that the Leader of Government Business and/or the President attends to this matter expeditiously. The Committee once again recommends that the SARS Commissioner report fully to the Minister as required in terms of the law, norms and established practices and that the Minister oversees work of SARS in terms of the same criteria. This matter has become more urgent in view of the low growth rates, need for more revenue and shortfalls in tax revenue projected for the 2016/17 financial year.
- 7.27.** Related to paragraph 6.18 above, the Committees recommend that the relevant Bill be introduced to Parliament reasonably soon.
- 7.28.** The Committees are concerned about the levels of infrastructural underspending and note NTs proposal to establish a new financing facility for large infrastructure projects and address the shortcomings intø underspending in this regard. The Committees recommend that NT move swiftly on the establishment of this facility.
- 7.29.** As raised in previous Reports, the Committees require a regular update on progress on the review of the Southern African Customs Union revenue sharing formula.
- ~~**7.30.** The Committees recommend that NT moves swiftly to establish the proposed new financing facility for large infrastructure projects to provide efficiency in the management of such projects and address the shortcomings to underspending in this regard.~~

To be considered.

PROPOSED AMENDMENTS RECEIVED FROM DA:

Economic Growth: the committee notes that projected economic growth rates of 1.3% (2017), 2.0% (2016) and 2.2% (2019) may be optimistic and that the whole of government needs to work together to implement the structural reforms necessary to boost economic growth and create jobs;

- Non- Strategic Assets Sales: that National Treasury provide a detailed quarterly report on the progress disposing of non-strategic assets including (1) a register of non-strategic assets and (2) progress disposing of non-strategic assets;
- VAT/Diesel Refunds: the committee notes the concern about VAT and diesel refunds and encourages the minister to appoint the Tax Ombud to conduct an investigation into possible systemic problems in respect of VAT and diesel refunds;
- SARS Operating Model: the committee requests the Davis Tax Committee to provide detailed quarterly reports on progress in respect of its investigation into tax administration, including the implementation of the new operating model, at SARS;
- Dividends Withholding Tax: the committee notes its concern that Dividends Tax was to be effective from 22 February 2017, rather than the beginning of the tax year, on 01 March 2017;
- Southern African Customs Union: that National Treasury provided a detailed report on the review of the Southern African Customs Union (SACU) payment system, which will cost an estimated R55.95 billion on 2017/18;
- Cost Containment Measures: that National Treasury provide a detailed quarterly report on progress implementing cost containment measures at the national, provincial and municipal spheres of government;
- Comprehensive Spending Review: that National Treasury consider the merits of implementing a comprehensive spending review which would require the department, working together with national departments, provinces, municipalities and state-owned entities, to review the composition of spending, the efficiency of spending, and future spending priorities with a view to reprioritizing expenditure over the medium term;
- National Debt: notes the committee's concern that net loan debt is now R2.2 trillion, or 46% of GDP, and that the stabilization of debt, which is the key fiscal goal, has been pushed out once again to 2020/21;
- Contingent Liabilities: note the committee's concern the increase in contingent liabilities, including South African Airways, where an additional going-concern guarantee of R4.7 billion has increased its total guarantees to R19.1 billion, and therefore requires National Treasury to provide detailed quarterly reports on progress made in increasing private sector participation at South African Airways.