



**MINISTRY: FINANCE  
REPUBLIC OF SOUTH AFRICA**

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Hon Joseph Maswangayi (MP)  
Chairperson of the Standing Committee on Finance  
Parliament of the Republic of South Africa  
P O Box 15  
**CAPE TOWN**  
8000

Dear Honourable Maswangayi

**REQUEST FOR THE COMMITTEE TO AMEND THE DISASTER MANAGEMENT TAX RELIEF BILL [B 11—2020] IN TERMS OF SECTION 11 OF THE MONEY BILLS AMENDMENT PROCEDURE AND RELATED MATTERS ACT, 2009 AND THE DISASTER MANAGEMENT TAX RELIEF ADMINISTRATION BILL [B 12—2020]**

I refer to the Disaster Management Tax Relief Bill [B11—2020] (DMTR) and the Disaster Management Tax Relief Administration Bill [B12—2020] (DMTRA) that were introduced in Parliament on 24 June 2020. Both the DMTR and the DMTRA provide the necessary legislative amendments required to implement the tax measures to combat the COVID-19 pandemic announced by the Minister of Finance on 29 March 2020, 23 April 2020 and 24 June 2020 in the 2020 Adjustment Budget. Due to legal reasons, these COVID-19 tax amendments are split into two bills, namely a money bill (section 77 of the Constitution) dealing with money bill issues and an ordinary bill (section 75 of the Constitution) dealing with issues relating to tax administration.

The DMTR is a money bill as contemplated in section 77 of the Constitution, and the DMTRA is an ordinary bill as contemplated in section 75 of the Constitution.

I hereby request the Committee to consider amendments to the DMTR in terms of section 11 of the Money Bills Amendment Procedure and Related Matters Act, 2009, for the extension of the following COVID-19 tax relief measure:

- *Streamlined special tax dispensation for funds established to assist with COVID-19 disaster relief efforts*
  - This tax relief provides special tax exemption for COVID-19 relief funds for a period of four months from 1 April 2020 to 31 July 2020. It is proposed that

the four month period be extended by two months to six months. As a result of this relief will cease to apply on 30 September 2020.

I hereby request the Committee to consider amendments to the DMTRA for the extension of the following COVID-19 tax relief measure:

- *Deferral of the payment of employees tax liability for tax compliant small to medium sized businesses*
  - This tax relief permits tax compliant small to medium sized businesses to defer payment of 35 per cent of the employees' tax they have deducted from their employees in the four months from 1 April 2020 to 31 July 2020. It is proposed that the four month period be extended by one month to five months. As a result of this extension, repayments on the deferred tax will now only begin in October 2020 and run through until March 2021.

The above proposed amendments to the DMTR are set out in **Annexure A**. It is proposed that the Committee adopts these amendments in terms of section 11 of the Money Bills Amendment Procedure and Related Matters Act, 2009. The above proposed amendments to the DMTRA are set out in **Annexure B**. It is proposed that the Committee adopts these amendments. I have requested Mr Ismail Momoniat to advise the Committee in its deliberations at the hearings to be scheduled by the Committee.

Please accept the assurance of my highest consideration and best wishes.

I remain,

Yours sincerely



**TT MBOWENI, MP**

**MINISTER OF FINANCE**

**Date: 17/08/2020**