**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **853[NW1060E]**

**853. Dr D T George (DA) to ask the Minister of Finance:**

What (a) number of companies and businesses in each province have made use of and/or benefited from the tax deferral measures announced on 23 April 2020 and (b) was the Rand value of the tax deferrals in each province?

 NW1060E

**REPLY**:

1. 8 957 taxpayers requested PAYE Tax Deferments thus far and 4 taxpayers requested deferrals of excise duties.
2. The rand value for the PAYE Tax Deferments is R334m.



**Deferral for the payment of excise duties on alcoholic beverages and tobacco products**

Excise duties on alcoholic beverages and tobacco products are payable by manufacturers and the liability for excise duty is assessed and collected on a Duty at Source (DAS) basis - i.e. as close as possible to the point of domestic manufacture when goods achieve their excisable character or the point of importation of similar excisable products.

The liability to account for excise duties and the payment thereof therefore rest with the manufacturer with payment periods following the end of the accounting month ranging from 30 to 130 days depending on the product and the period between the time of manufacture and final sale.

The outbreak of the COVID-19 pandemic resulted in the President declaring a national state of disaster and instituting a nation-wide lockdown with effect from Thursday, 26 March 2020. As a result, the sale of alcoholic beverages and tobacco products was first restricted and has since been prohibited.

In order tominimise cash flow difficulties for the manufacturers of alcoholic beverages and tobacco products, the revised Disaster Management Tax Relief Bill, 2020 proposes that the manufacturers in these industries continue to submit their excise duty accounts on time but that the payments due to SARS be deferred for a period of 90 days without incurring interest or penalties.

Manufacturers will qualify for such deferment provided they have no outstanding excise accounts or payments unless an arrangement has been made for such payments. The proposed deferral, as set out in the proposed amendments to Rule 19A.11 to the Customs and Excise Act No. 91 of 1964, will apply to payments due in the months of May and June and will be for a period of 90 days.

The table below provides the detail of tax deferral measures approved to date in this regard.

***Table A: Tax deferral measures relating to the payment of excise duties on alcoholic beverages and tobacco products***

|  |  |  |
| --- | --- | --- |
| **Province** | **Taxpayers Approved** | **Amounts deferred** |
| Gauteng | 1 | R546 000 000 |
| KwaZulu Natal | 1 | R933 000 000 |
| Western Cape | 2 | R1 073 659 864 |