

# Press Release



**South African  
Institute of  
Race Relations**

*South Africa's Leading Research and Policy Organisation*

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## **More and more taxpayers of all kinds**

**The total number of registered individual taxpayers in South Africa grew from 3.4 million in 2002/03 to 5.9 million in 2009/10, an increase of 73%. This is according to the latest *South Africa Survey*, published by the South African Institute of Race Relations in Johannesburg this week.**

The total number of companies registered for tax grew from 815 000 in 2002/03 to 1.9 million in 2009/10, an increase of 131%. Over the same period the number of trusts grew from 255 000 in 2002/03 to 332 000 in 2009/10, an increase of 30%.

The number of employers registered for pay-as-you-earn (PAYE) tax grew from 253 000 to 396 000 between 2002/03 and 2009/10, an increase of 57%. The number of vendors registered to pay value-added tax (VAT) grew from 506 000 in 2002/03 to 686 000 in 2009/10, an increase of 36%.

Whether directly or indirectly, everyone in South Africa ends up paying some sort of tax through VAT, company tax, fuel levies, customs and excise duties, and/or personal income tax.

Personal income tax collections for the 2009/10 fiscal year amounted to R207 billion. These collections represented 35% of total revenue collections, up from 31% in 2008/09, and were the single biggest contributor to the Government's coffers.

The second biggest contributor to government revenue in 2009/10 was VAT, which contributed 25%. Corporate income tax contributed 23%. Fuel levies contributed 5%, customs and excise duties 3%, and secondary tax on companies 3%. Taxes classified as 'other' contributed 7%.

A researcher at the Institute, Marius Roodt, said the increase in the number of individual tax payers was good news. 'At the same time, however, wastage and corruption within the Government and its various departments are a cause for concern, and there is no guarantee that revenue is spent wisely.'

He also noted that although the total contribution of personal income tax payers was the single highest, it contributed only a third of total revenue that the Government received from tax. 'Corporate tax and VAT together contribute nearly 50% of total tax revenue. It is thus misleading to say, as some commentators do, that individual taxpayers bear the major burden of financing social grants,' Roodt noted.

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