## PROVINSIALE TESOURIE • PROVINCIAL TREASURY • UNONDYEBO WEPHONDO

Verwysing Reference Isalathiso

PT/18/2/4

Navrae Enquiries Ms Rosetta Mwanza Imibuzo



#### **TREASURY CIRCULAR MUN 26-2006**

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(FIXED) ASSETS AND PPPs (MR NB LANGENHOVEN) THE SENIOR MANAGER: SUPPLY CHAIN MANAGEMENT (MR L MUNSAMY) THE SENIOR MANAGER: SUPPLY CHAIN MANAGEMENT (MR L MUNSAMY) THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE) THE HEAD: OFFICE OF THE MINISTRY (MR G GESWINDT)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT AND HOUSING

#### **RE: TAX AMNESTY FOR SMALL BUSINESSES**

### 1. Purpose

1.1 To request municipalities to create an awareness amongst its suppliers on tax amnesty afforded to small businesses.

### 2. Background

2.1 The South African Revenue Services (SARS) in currently creating an awareness on the tax amnesty offered to small business. The objective is to give them a chance to get their tax affairs in order without worrying about possible tax liabilities, penalties and interest for previous years. Tax amnesty is applicable to businesses that make a turnover of less than R10 million in a tax year and that has outstanding tax returns for previous tax years or undeclared income taxes for previous tax years. The amnesty came into effect from 1 August 2006 and will close on 31 May 2007.

#### 3. Request

3.1 SCM Heads / CFO's of Municipalities are requested to create an awareness amongst suppliers that they currently do business with, to take note of the amnesty and if they have outstanding tax matters to resolve them with SARS. This step is very important in ensuring compliance with tax requirements as the municipalities are prohibited to make awards to persons whose tax matters are not in order. A letter from SARS to this effect is attached for your reference.

Your co-operation will be highly appreciated.

# MRS NADIA EBRAHIM DEPUTY DIRECTOR: SUPPLY CHAIN MANAGEMENT DATE:

MR TD PILLAY CHIEF DIRECTOR: ASSET MANAGEMENT DATE: