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## GOVERNMENT NOTICE

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### NATIONAL TREASURY

No. R. 123

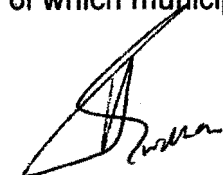
15 February 2012

#### Municipal Fiscal Powers and Functions Act, 2007 (Act No. 12 of 2007)

#### Approval of Municipal Taxes Regulations

I, Pravin J. Gordhan, Minister of Finance, hereby make the Approval of Municipal Taxes Regulations, 2012 ("the Regulations"), in terms of sections 5, 6, 10 and 12 of the Municipal Fiscal Powers and Functions Act, 2007 (Act No. 12 of 2007) ("the Act"). The Regulations are set out in the attached Schedule.

The Regulations provide for the approval of the continued imposition of certain municipal taxes which were imposed prior to the commencement of the Act, in respect of which municipalities submitted an application in terms of section 12 of the Act.



**P.J. GORDHAN**  
**MINISTER OF FINANCE**

Date: 14/02/2012

**SCHEDULE****NATIONAL TREASURY****MUNICIPAL FISCAL POWERS AND FUNCTIONS ACT, 2007 (Act No. 12 of 2007)****APPROVAL OF MUNICIPAL TAXES REGULATIONS****Definitions**

1. In these Regulations, a word or expression to which a meaning has been assigned in the principal Act has the same meaning as in the principal Act, unless the context indicates otherwise, and—

**“municipal tax”** means a tax, levy or duty that a municipality may impose in terms of section 229(1)(b) of the Constitution;

**“property rates”** means property rates imposed in terms of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), as amended; and

**“the principal Act”** means the Municipal Fiscal Powers and Functions Act, 2007 (Act No. 12 of 2007), as amended.

**Object of Regulations**

2. The object of these Regulations is to approve the continuation of municipal taxes, other than property rates, in terms of section 12 of the principal Act that existed before the promulgation of the principal Act.

### **Application of Regulations**

3. (1) These Regulations apply only to the municipalities in respect of which specific municipal taxes are hereby approved, and only in respect of the specific taxes which are approved in terms of regulation 4.

(2) No municipality, other than those referred to in sub-regulation (1), shall charge, levy or impose taxes on the basis of these Regulations.

### **Approval of municipal taxes**

4. (1) In terms of sections 5, 6, 10 and 12 of the principal Act, the municipalities listed in Column "A" of the Annexure to these Regulations are hereby authorised to impose the municipal tax identified in Column "B" of the Annexure to these Regulations, subject to the conditions set out in the indicated columns in the Annexure to these Regulations:

- (a) The date from which the municipal tax may be imposed, as specified in Column "C";
- (b) The collecting agent for the municipal tax, as specified in Column "D";
- (c) The tax base on which the municipal tax will be imposed, including—
  - (i) where the tax is not a specific purpose tax or a tax levied on the same tax base as that of national taxes—
    - (aa) the rate expressed as a ratio, a percentage of the municipal tax base or a Rand value at which a municipality may impose that tax, as specified in Column "E";
    - (bb) the banks or ranges within which that municipal tax may be imposed, as specified in Column "F";
  - (ii) Any exclusions from the tax base, as specified in Column "G"; and
  - (iii) The basis upon and the intervals at which the rates may be increased, as specified in Column "H";
- (d) Any limitation on the period during which the municipal tax may be imposed, as specified in Column "I"; and
- (e) In respect of a specific purpose tax—
  - (i) the purpose for which revenue derived from the collection of the municipal tax may be utilised; and
  - (ii) any specified percentage of the revenue derived from the collection of the specific purpose tax that must be utilised for a specific purpose, as specified in Column "J".

**Short title and commencement**

5. These Regulations are called the Approval of Municipal Taxes Regulations, 2012, and take effect on the date of publication in the *Government Gazette*.

## ANNEXURE

**Taxes approved in terms of section 12 of the Municipal Fiscal Powers and Functions Act, 2007 (Act No. 12 of 2007) for continuation that existed prior to the coming into operation of the Act**

TAXES APPROVED FOR CONTINUATION									
COLUMN A (Municipalities)	COLUMN B (Taxes)	COLUMN C (Inception date)	COLUMN D (Collecting agent)	COLUMN E (Tax base)	COLUMN F (Tax rate)	COLUMN G (Exclusions)	COLUMN H (Intervals of rate increase)	COLUMN I (Limitation period)	COLUMN J (Use of funds)
Blouberg	Rural Based Development Levies (levied in areas where property valuations are not feasible)	Continuation of a tax in terms of Section 12 of the principal Act	The municipalities concerned	Residential	For 2011/12 it will be R15.00 per household, with further increases in terms of municipal council resolution, subject that such increases are affordable, taking due account of inflationary impact and properly consulted.	N/A	The tax may be increased at the commencement of a new financial year of the municipality in accordance with any National Treasury directives	Until reviewed by the Minister of Finance in terms of section 10(2) of the principal act	General expenditure

[illegible]

Overstrand							National Treasury directives		
Kouga									
iLembe									
Kouga	Waterways Riparian Levy St Francis Bay	Continuation of a tax in terms of Section 12 of the principal Act	The municipalities concerned	Residential	For 2011/12 it will be R798.00, with further increases in terms of municipal council resolution, subject that such increases are affordable, taking due account of inflationary impact and properly consulted.	N/A	The tax may be increased at the commencement of a new financial year of the municipality in accordance with any National Treasury directives	Until reviewed by the Minister of Finance in terms of section 10(2) of the principal act	To dredge waterways and related costs
Lukhanji	Community Levy	Continuation of a tax in terms of Section 12 of the principal Act	The municipalities concerned	All Categories	For 2011/12 it will be R1.00 per month, with further increases in terms of	N/A	The tax may be increased at the commencement of a new financial year of the municipality	Until reviewed by the Minister of Finance in terms of section 10(2) of the principal act	General expenditure

					municipal council resolution, subject that such increases are affordable taking due account of inflationary impact and properly consulted.		in accordance with any National Treasury directives		
Greater Kokstad	Fire Levy	Continuation of a tax in terms of Section 12 of the principal Act	The municipalities concerned	Residential Business/ Commercial Farms Industrial	For 2011/12 it will be R6.50, with further increases in terms of municipal council resolution, subject that such increases are affordable taking due account of inflationary impact and properly consulted.	Exclusion will be given for indigent households, old age pensioners, places of worship as per policies on the rates and indigent	The tax may be increased at the commencement of a new financial year of the municipality in accordance with any National Treasury directives	Until reviewed by the Minister of Finance in terms of section 10(2) of the principal act	To fund fire fighting services and related costs