

Legislation: Input sought on tax amendment, rates Bills

The 2019 Taxation Laws Amendment [Bill](#), Tax Administration Laws Amendment [Bill](#) and Rates & Monetary Amounts & Amendment of Revenue Laws [Bill](#) having been formally introduced in Parliament last week with the Medium Term Budget Policy [Statement](#), a second round of public hearings is now imminent. This is noting that the draft Bills released in August for comment were subjected to hearings the following month in anticipation of being finalised for tabling last week. According to Friday's NCOP Finance Committee media [statement](#), stakeholders have until 21 November to make written submissions on the three Bills, which give effect to proposals in the 2019/20 Budget and will come into force next March, reports Pam Saxby for [Legalbrief Policy Watch](#).

Against that backdrop, the key objectives of each of the three Bills summarised in Friday's statement are the same as they were in August. However, the wording of the provisions themselves reflects some of the input received during the first round of public consultations and hearings. Consequently, the 2019 Taxation Laws Amendment Bill still seeks to align the effective date of tax neutral transfers between retirement funds with the effective date of provident fund annuitisation; adjust the 'withholding tax treatment' of surviving spouses' pensions to limit tax debts on assessment; address abusive arrangements aimed at avoiding existing anti-dividend-stripping provisions; clarify the interaction between corporate reorganisation rules and other provisions in the principal statute; refine the tax treatment of long-term insurers; refine special economic zone investment criteria and anti-avoidance measures; limit the allowable deduction for investors in venture capital companies; review the controlled foreign company comparable tax exemption; address the circumvention of existing anti-diversionary rules; and review section 72 of the Value Added Tax Act (arrangements and decisions to overcome difficulties, anomalies or incongruities).

The 2019 Tax Administration Laws Amendment Bill seeks to exempt regulated intermediaries from being required to submit tax-free investment declarations; authorise the commissioner to prescribe rules on advance foreign currency payments; align the various time limitations on requesting refunds; and introduce mandatory disclosure rules and related non-compliance penalties. Reference is also made in the statement to tax compliance certificates. The 2019 Rates & Monetary Amounts & Amendment of Revenue Laws Bill seeks to amend rates and monetary thresholds in the personal income tax tables; adjust employment tax incentive qualifying income bands; and increase excise duties on alcohol and tobacco.