

Taxation Laws Amendment Draft Bills 2009: public hearings

Date of Meeting: 24 Jun 2009

Chairperson: Mr T Mufamadi (ANC)

Minutes prepared by Parliamentary Monitoring Group www.pmg.org.za

Meakin & Co submission [on behalf of SACPRIF]

Meakin & Co, an independent Cape Town based think-tank lodged an objection to the Income Tax Amendment Act 2009/2010. They were represented by Mr Peter Meakin, Mr Brian Amery, Mr Rob Small and Mr Etienne Bruwer.

Mr Peter Meakin and Mr Brian Amery began the presentation with their argument as to why the current tax system was seen as flawed. It was their opinion that South Africa had become a tax haven for landowners. They contended that all increases in land value were caused by the state building infrastructure or population increases – not by the owner - and yet government was allowing owners to keep those gains. In a system where only the rich could afford land, this allowed the rich to make payments on account for tax and recover these when they sold their land.

They reviewed the rules of good taxation. They then proposed the abolition of all income taxes and the introduction of a single land tax. The purpose, advantages and constitutional compliance of this single land tax was outlined.

Mr Rob Small briefed the Committee on the ways people could be taught to make the land productive and generate income using the land.

Mr N Koornhof (COPE) called a point of order, as he felt that the submission was not relevant to the proceedings. He asked if another slot could be assigned to this submission.

The Chairperson responded that he took the Member's point but as the presentation was almost concluded, they would be allowed to finish. Furthermore, the Committee would not engage on this presentation. This engagement could be arranged for a later date.

Mr Etienne Bruwer provided supplementary information on his successes using natural materials and communities' own capacity to build architecturally sound structures to uplift these communities.

Meakin & Co concluded by summarising that land should be free to all, so that all the people of South Africa could have access to the means to make a living. Applying a single land tax to replace the existing income tax structure was, in their view, the best proposal to achieve these aims.