

## 220 South African Towns Withholding Taxes

Written by Rudi Prinsloo

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Around 220 South African towns were withholding their municipal taxes due to poor service delivery, the National Taxpayers Union (NTU) said on Thursday.

NTU board member Jaap Kelders said towns were fed up with potholes, water interruptions, inadequate waste removal and overgrown bushes on the roadside and therefore opted to "withhold" their municipal taxes until the services were provided.

"It is not a tax boycott, we are withholding the money. It's very important to make that distinction.

"The residents pay the amount due into a trust account and the money will be paid to the municipalities once the grievances have been sorted," he said.

Kelder said the initiative, undertaken by rate payers associations in various towns, began in 2005 with residents declaring formal disputes with their municipalities over poor service delivery.

The municipal taxes are paid into a fund run by the rate payers association or legal trust accounts.

"It will go on as long as services are not delivered," Kelder said."

"In some towns residents began carrying out various municipal functions themselves."

"If they still don't perform, the residents do it themselves," he said.

Asked how municipalities could perform when they were not being paid, Kelder said: "They had the money to do it, but it wasn't done. First deliver and then we will pay.

"It's going on four years and only now we are getting a response from government."

Government had recently responded to the resident's grievances in the form of intervention by the national treasury, he said.

A national treasury spokeswoman said it would respond to the query later on Thursday.

The SA Local Government Association on Thursday urged communities to partner with their municipalities in order to improve service delivery, rather than withholding their taxes.

"There are cases [of withholding municipal taxes] which we are aware of."

"We encourage everyone to partner with municipalities to improve service delivery. All municipalities have public partnership programs in place... but withholding rates cripple the municipalities even further, they need money to improve and sustain service delivery," he said.

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Spokesman for the department of provincial and local government, Luzuko Koti, was unable respond to queries immediately.

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