

10. STRATEGIC OUTCOME: REVENUE COLLECTIONS



Total Collections
Rs 98.4 Billion

+ Rs 10.9 Billion

+ 12.5%



Collections for Consolidated Fund
Rs 89.5 Billion

+ Rs 6.4 Billion

+ 7.7%

VAT
Rs 34.9 Billion

+ 5.8%



Excise Duties
Rs 20.9 Billion

+ 3.8%



Corporate Tax
Rs 14.6 Billion

+ 17.5%



Personal Income Tax
Rs 10.4 Billion

+ 9.5%



Social Security Contributions
Rs 7.7 Billion



National CSR Foundation
Rs 701 Million

+ 37.2%



Negative Income Tax
Rs 218 Million



66,759

Low-Income Earners

Special Allowance
Rs 343 Million



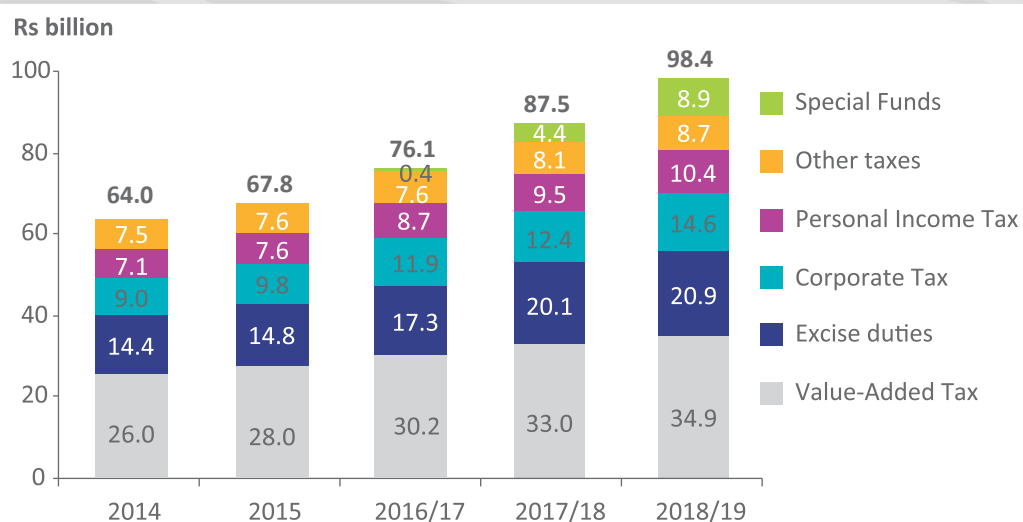
71,963

Beneficiaries

10.1. REVENUE COLLECTIONS

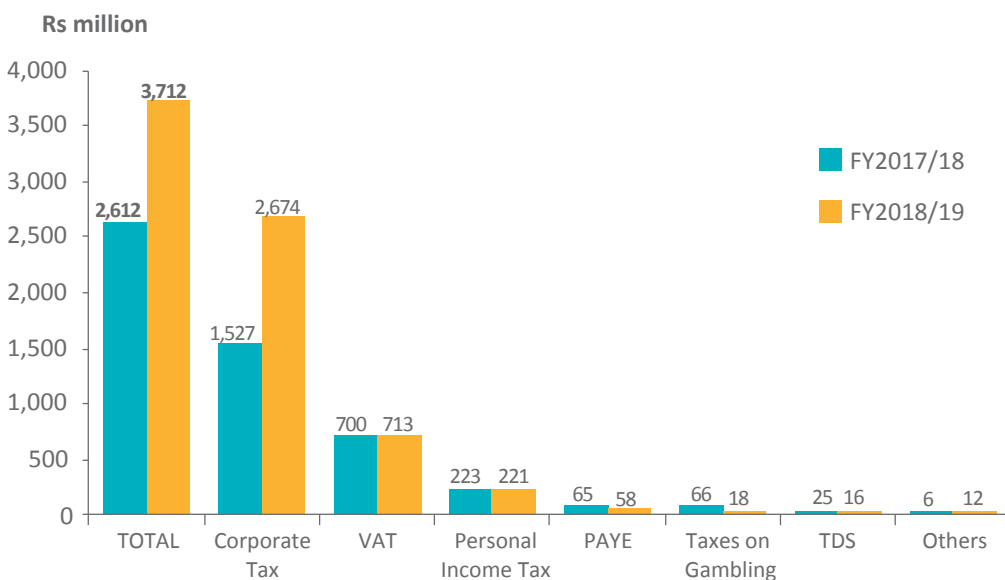
During FY 2018/19, the MRA collected Rs 98.4 billion of revenue, Rs 10.9 billion more than the preceding year. Of the total receipts, Rs 89.5 billion was transferred to the Consolidation Fund, i.e., 8% more than FY 2017/18 collections of Rs 83.1 billion. Chart 1 illustrates the evolution of the total tax revenues over the past five years.

Chart 1 : MRA Tax Revenue



Arrears collection peaked at Rs 3.7 billion, the highest achievement since the setting up of the MRA and grew by 42% in FY 2018/19. The surge was driven by the Rs 2.7 billion collected under Corporate Tax, resulting into the ratio of arrears to total collections rising from 3% in FY 2017/18 to 4% in FY 2018/19.

Chart 2 : Debt collection



Revenue collections

Table 2 illustrates the contribution by tax type and compares actual performance FY 2017/18 to FY 2018/19 collections. Value-Added Tax (VAT), Excise Duties, Corporate Tax and Personal Income Tax make up the largest sources of tax revenue accounting for 90% of total tax revenue collections.

Table 2: Revenue collections				
TAX	July 2017 -June 2018 Actual (Rs m)	July 2018 -June 2019 Actual (Rs m)	Growth (%)	July 2018 -June 2019 Projected (Rs m)
Corporate Tax	12,392	14,556	17.5%	14,750
Personal Income Tax	9,518	10,421	9.5%	9,800
Tax Deducted at source	1,382	1,713	24.0%	1,535
Value-Added Tax	33,000	34,909	5.8%	36,125
Customs Duties	1,344	1,379	2.6%	1,440
Excise Duties	20,111	20,869	3.8%	20,932
Taxes on Gambling	1,975	2,154	9.1%	2,160
Environment Protection Fees	399	425	6.5%	405
Passenger Fee	1,556	1,602	3.0%	1,765
Special Levy on Banks	846	916	8.3%	1,060
Special Levy on Telecommunication	158	158	0.0%	340
Advertising Structure Fee	54	58	7.4%	55
Miscellaneous ²	332	337	1.5%	155
Total to Consolidated fund	83,067	89,497	7.7%	90,522
Ministry of Social Security ³	3,509	7,662	118.4%	-
Mauritius Cane Industry Authority	85	149	75.3%	-
Lotto Fund	215	286	33.0%	-
National CSR Foundation	511	701	37.2%	-
Responsible Gambling and Capacity Building Fund	79	76	-4.3%	-
Total MRA Revenue Collections	87,466	98,371	12.5%	-
Negative Income Tax	-174	-218	25.3%	-
Special Allowance	-112	-343	206.3%	-

¹MRA figures are on a collection basis and may vary from figures reported by the Accountant-General which are on a cash basis.

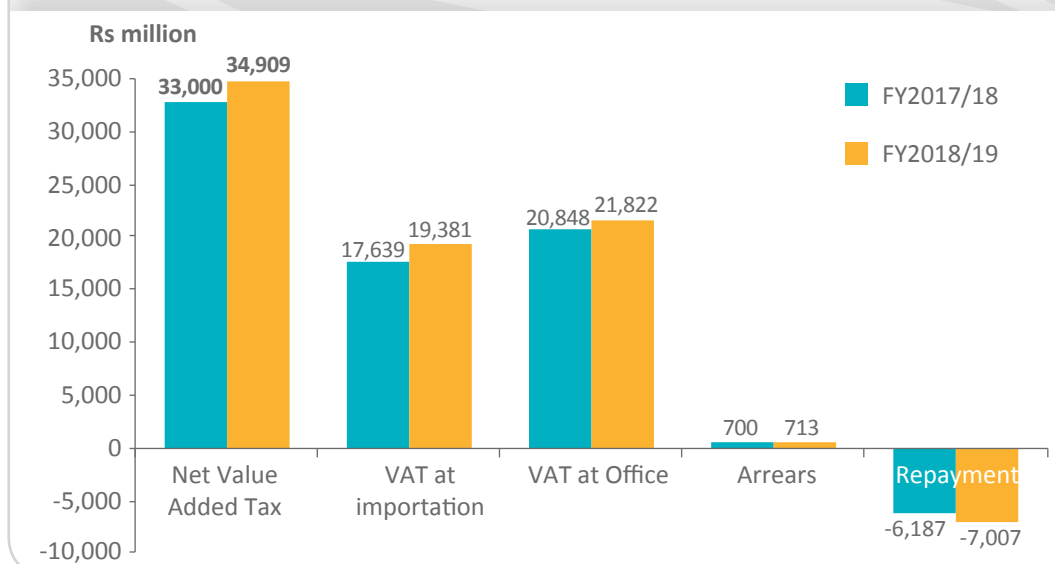
² Includes collections from Licences, Customs & Excise Fees and Fines, Miscellaneous Customs, Passenger Solidarity Fee, Processing Fee, Tax Residency Certificates and tax rulings, Revenue from Excise Stamps

³ Excludes Rs 3,354 million collected by Ministry of Social Security during July 2017-December 2017 before the MRA started collecting Social Security Contributions in January 2018.

10.2. FY2018/19 REVENUE PERFORMANCE – KEY OBSERVATIONS

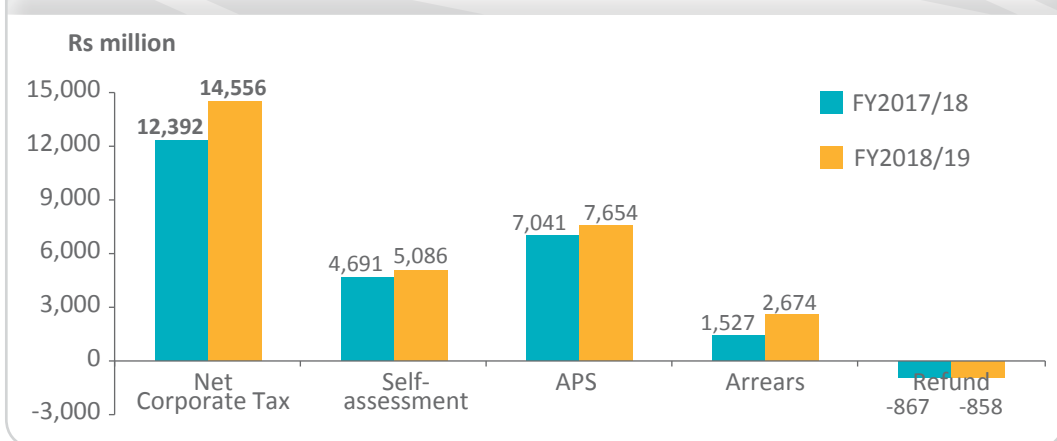
Net VAT collections in FY 2018/19 amounting to Rs 34,909 million were 5.8% more than corresponding collections in the previous year and were 3.4% below projections. VAT at office grew by only 5% due to lower than expected receipts from the trading, accommodation and manufacturing sectors.

Chart 3 : Value-Added Tax



Receipts from Corporate Tax grew by 17% and were short of budgeted estimates by Rs 194 million. Collections from the manufacturing, telecommunications and real estate sectors were lower than expected.

Chart 4 : Corporate Tax

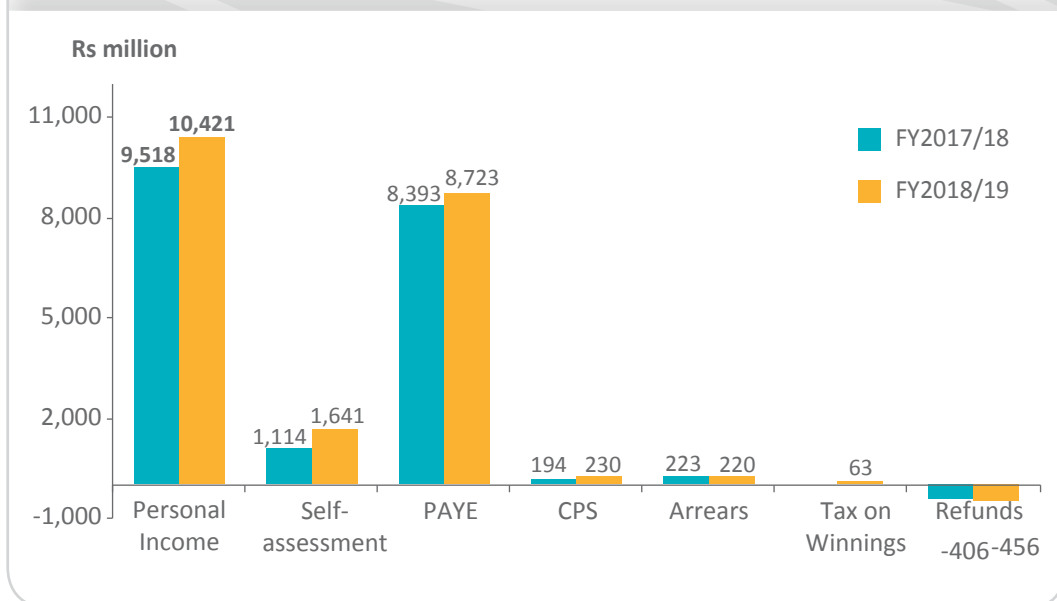


Personal Income Tax (PIT) collections were up by 9.5% over last year and 6 percentage points above projections of Rs 9,800 million. During FY 2018/19, two new measures were implemented namely Tax on Winnings and the Solidarity Levy.

The latter is applicable at the rate of 5 percent on individuals with a chargeable income (including dividends) exceeding Rs 3.5 million. The Tax on Winnings is a withholding tax of 10% on wins exceeding Rs 100,000 from the Mauritius National Lottery – ‘Lotto’, Government Lotteries – ‘Loterie Verte’ as well as on winnings in casinos and gaming houses.

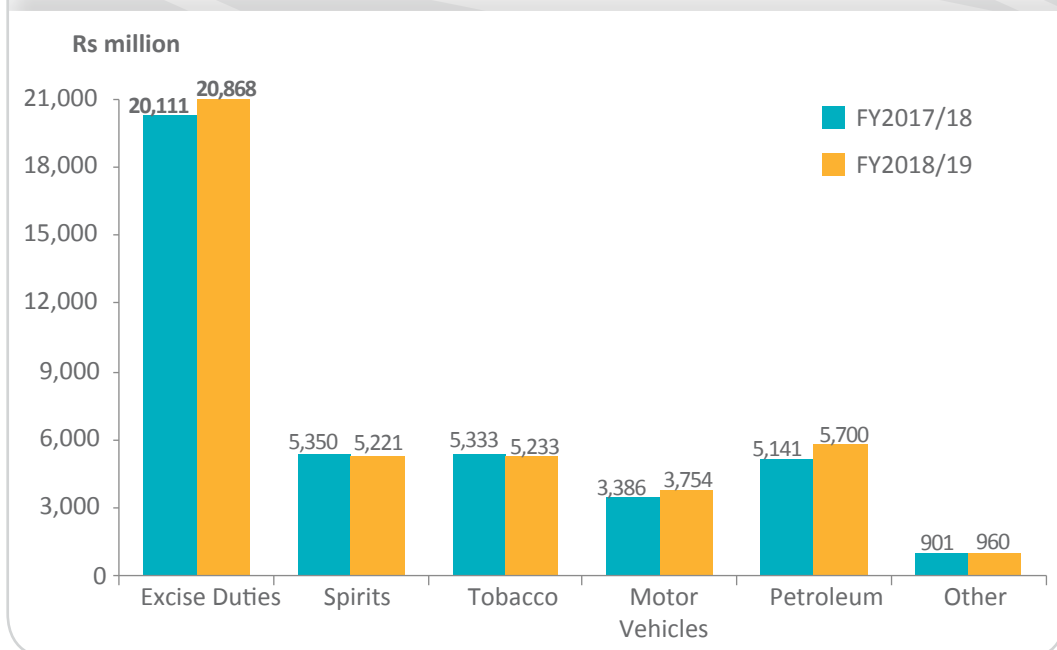
Revenue collections

Chart 5 : Personal Income Tax

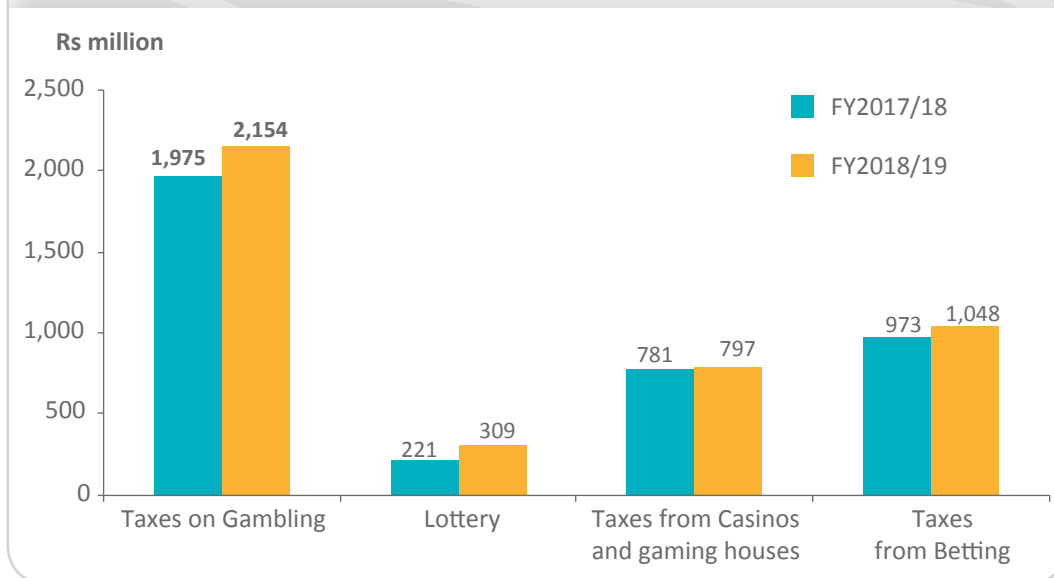


The overall Excise Duty Collections for the FY 2018/19 have increased by 3.8% and was marginally short of budgeted estimates by -0.3%. The surplus from the petroleum products duties compensated for lower than expected receipts from tobacco and spirits products.

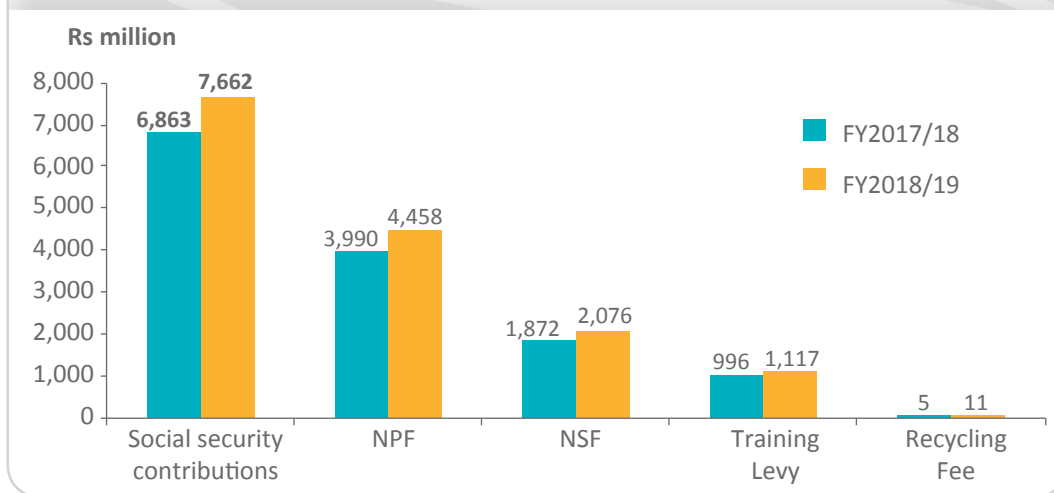
Chart 6 : Excise duties



Taxes on Gambling were almost on target and grew by 9%. While receipts from lottery increased by 40% mainly due to the two draws per week, taxes from casinos and gaming houses were up by 2%. Proceeds from betting of Rs 1 billion comprised Rs 601 million and Rs 423 million from Horse Racing and Foreign Football respectively.

Chart 7: Gambling Taxes**Social Security Contributions**

As at June 2019, Rs 7.7 billion of social security contributions namely the National Pensions Fund (NPF), National Savings Fund (NSF), HRDC Training Levy as well as Recycling fee have been remitted to the Ministry of Social Security, National Solidarity and Environment and Sustainable Development (Social Security and National Solidarity Division) in respect of FY 2018/19. From the time it was entrusted to collect the social security contributions, i.e., from January 2018, the MRA has already transferred Rs 11.2 billion to the latter ministry.

Chart 8: Social Security Contributions**Negative Income Tax (NITA) and Special Allowance (SPA)**

In order to reduce income inequality and assist the needy segments of the society, the government has introduced Negative Income Tax (NITA) and Special Allowance (SPA) in November 2017 and January 2018, respectively. The MRA is the paying agent under both schemes.

In FY 2018/19, 66,759 low income earners were paid Rs 218 million under NITA while 71,963 benefitted Rs 343 million from SPA. Since the implementation of the schemes, a total of Rs 848 million had been paid out namely Rs 393 million under NITA and Rs 455 million under SPA.



DON'T PLAY HIDE & SEEK

...WHEN WE KNOW WHERE
TO SEEK