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## **Give municipalities greater revenue and tax handles says commission**

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The Financial and Fiscal Commission (FFC) says that municipalities, particularly non-metro institutions, should be encouraged to play a more direct role in economic growth.

In its submission on the 2013/14 Division of Revenue Bill, the FFC says it believes that one way that this can be achieved is by National Government assigning greater revenue and tax handles to municipalities than is currently the case.

In addition, the Commission says that all elements to support the growth-enhancing role of municipalities should be reassessed when the fiscal framework is reviewed. This should include elements such as the equitable share, own-revenue sources, including a local business tax, and conditional grants.

The FFC says that it is well known that some municipalities are not necessarily doing a good job of collecting revenue from the public.

This needs to be improved, it says, as a high collection rate can contribute positively to economic growth.

It says issues that need to be addressed include weak capacity and high expenditure on the delivery of free basic services, financed by national transfers.

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