



South Sudan Democratic Engagement, Monitoring and Observation Programme (SSuDEMOP)

Submission During Public Hearing on National Budget 2023/24

After extensive public consultation, assessments, surveys, in-depth analysis and examination of the Finance Bill 2023/24, SSuDEMOP and civil society partners finds it extremely important to present this submission and communicate views, aspirations and concerns of South Sudanese citizens regarding selected aspects of the budget and the Finance Bill 2023/24 during this important step of the budget process. The submission only reflects few of the concerns, otherwise the civil society would require more time for an in-depth analysis of the budget. Considering the dire economic situation of the country and its impact on the lives of ordinary citizens in the country, the SSuDEMOP and group of civil society organization have carefully crafted this submission to reflect the interest of citizens who found themselves at the receiving end of all the decisions made on their behalf and the taxes proposed by the Finance Bill 2023/24 are not an exception.

Therefore, this submission on National Budget 2023/24 will mainly focus on reducing tax burden on ordinary citizens whose income can barely provide for their livelihood for at least a week in a month. These group of citizens can be categorized as “low income earners” and are found in both private and public sector. This submission will also propose aspects of the Finance Bill that may require upward adjustment and make general recommendation for improvement of the structure of Finance Bill so as to enhance its implementation and understanding by ordinary citizens and service providers.

SSuDEMOP and the civil society partners are aware of the general challenges being experienced by the country in terms of double taxation and in some cases leakage in the national revenue collection system hence, impacting the resource envelop and financial projection. However, SSuDEMOP is also aware that there are several sources of revenue that the government can adequately use to improve the resource envelop and cushion the low-income earning citizens and avoid placing excessive tax burden on them. This submission will feature three main sections; namely

- 1. Proposed List of basic items for tax drop, exemption and waiver**
- 2. List of Item, commodities, services and Establishments to be considered for Tax Adjustment**
- 3. General recommendations for improvement of Structure of the Finance Bill**

Therefore, SSuDEMOP and civil society partners wish to petition the August House during this special occasion of public hearing to consider the proposal in this submission and remain available for further consultation through the contacts provided as footnote.

Section One: Proposed List of basic items for tax drop, exemption and waiver

S/N	Item Specification	Current Status in Financial Bill	Proposal	Justification
1.	Basic Food Commodities and farm products			
	Salt, milk (formula, Liquid and Powder), Beans, Maize and wheat flour, Cooking oil, Groundnuts.	Inspection service fee being charged by National Bureau of Standards and National Revenue Authority	Drop	These are basic necessities that the ordinary citizens require for survival. e.g.: Formula milk is live saving commodities and vital for infant growth specially where mother doesn't have breast milk. therefore, taxing such commodities make them expensive and far from the reach of majority of our population. Making them affordable is state obligation.
2.	Detergent and Sanitary Materials			
	Sanitary towels, Diaper (children and adult), Tissue, Soaps (those for domestic and hospital use).	Charges and fees levied by Ministry of trade. National Bureau of Standard National Revenue Authority.	Drop	These commodities are necessities for personal hygiene, safety and public health purposes. Sanitary towels are critical element of a woman's life more so a girl child. Taxing these commodities makes them expensive and unaffordable. This can translate to obstruction of a girl child from continuing with education. As for adult diapers they are part of therapy and use in conditions that does not select social, economic and political status.
3.	Health and Medications			
	Medicine	National Bureau of Standards charge 3% per truck per custom value.	Waive for this financial year.	Medicine is essential and live saving. Therefore, taxing them makes it expensive and inaccessible which puts the life of ordinary citizen at jeopardy or death. Considering the current economic situation, we appeal the parliament to waives this charger for this financial year and can reconsidered in the subsequent budget year.

	Medical Referral.	Charges and fees levied by ministry of Health and ministry of foreign affairs and international cooperation.	Drop	It delays the patient possibility to timely access better service and some cause may result to life being lost in the process of looking for money to pay for the referral and such contribute to denial to their right to life.
4.	Agriculture Materials			
	Pesticides (Specifically Mosquito repellent, coil and spray)	National Bureau of Standard.	Drop	Malaria is a killer disease and its of high prevalent in the country. Its contributing factor to high maternal and infant mortality rate in the country. Taxing these commodities makes them expensive, far from citizens reach and exacerbate the already the dire situation of maternal and infants mortality.
5.	Business			
	Small Shop.	Inspections of small shop National Bureau of Standard.	Drop	This kind of tax and levy does not have to be charge at national level but rather to be collected by municipality and local government. Therefore, we propose that such are calculated and paid annually as opposed to random people coming every month to collect money that in most cases not justified by receipt rather pay out of fear.
6	Education and Literacy			
	Scholarship form fee, Examination fees, Certificate for secondary and primary school.	Charges and fees levied by ministry of General Education and Ministry of foreign Affairs and International cooperation	Drop	Taxing these form unnecessary obstacles to the advancement and education of the future generation and can be termed as contributing factor to increasing illiteracy rate in the country. There are many citizens who fall within the bracket of low income earners such as the police, military personnel, teachers, nurses and most public servants. To some, the amount being charged is equivalent to their one-month salary or even more. How does the state expect children of such family to access this services?

	Stationary (Scholastic materials should be allowed into the country tax free)	Ministry of trade	Drop	Since South Sudan does not have a paper mill (Paper Producing Factory) in the it will of benefit to the education sector to import scholastic materials tax free. This will contribute to enhancing access and quality education.
	Regional countries single visa fee for month	Immigration, nationality and passport	Drop	<p>Aware that majority of countries in the region have signed visa free agreement and South Sudan is a beneficiary, currently South Sudan citizens travel to countries of East African Region without paying for visa. Therefore, it's important for the country to implement the principle of reciprocity given the fact that many South Sudanese children study in schools and universities across the region and many citizens and government officials seek medical attention in the regional countries.</p> <p>this not only easy the visa burden on student to but also foster good diplomatic relationship, trust and mutual respect between the South Sudan and countries in the region.</p>
	Assessment of Age	Ministry of health	Drop	Given the fact that birth registration is still not a widely applied practice and the system is yet to be developed, many South Sudanese are not aware of their date of birth. Therefore, the fees is a hindrance for many citizens.

Section Two: List of Item, commodities, services and Establishments to be considered for Tax Adjustment

1. The inspection fee for five- star and four-star hotels, small shops and supermarkets as mentioned on page 58 and 87 of the Finance Bill 2023/24 have small variation. This requires upward adjustment so as to avoid disproportionate impact on the small shops/business.
2. Registration Fee for national and international oil companies indicated on page 62 of the Finance Bill 2023/24 is negligible considering the kind of business, therefore, SSuDEMOP and civil society partners recommending an upward adjustment to reflect the true nature and value of the business these companies intend to undertake. This will help regulate the oil sector and only deal with committed businesses
3. Drop the fees proposed on page 80 of the same bill for authentication of academic certificate, PhD, Masters and Bachelor's degrees.
4. Raising National NGO Registration fee from 250 to 400 as proposed on page 91 of the bill is disproportionate since the National NGOs are not business entities but rather complement the government in basic service delivery.

Section Three: General recommendations for improvement of Structure of the Finance Bill

1. The categorization of taxable items, commodities, services and facilities in the finance bill is contradicting in some sections and may cause further confusion to the public, revenue collection system and entities which will result into revenue leakage, tax evasion, exploitation and extortion of unnecessary fees from the public.
2. Misplacement of several items in different categories which is contradictory to the nature of the specified commodities. E.g Always (sanitary Pads) and infant pampers are categorized under **Foot Wear on page 54 of the Bill**. Vegetables categorized under **Medical Equipment, microwave, mobile Phones, sim cards and Studio films categorized under Agricultural material**.
3. Driving License being paid to Foreign Affair – How, page 90 of Finance Bill under ministry of foreign Affairs. Where is Traffic police, this will create room for leakage and exploitation. This magnifies the challenge of tax overlap
4. Some sections are repetitive eg Traffic Police Vehicle Registration Certificate on page 91, 92 and 93 of Finance Bill 2023/24
5. Its not clear what Hotels contribute in form of tax, the Hotel classification, is it done annually.

In conclusion, SSuDEMOP wish to draw attention of the August House to ensure that adequate resources are allocated for important processes such as constitution making, elections and prioritize service sectors such as education and health for meaningful allocations. The Finance Bill 2023/24 in page 29 to 47 have proposed several amendments to the Taxation Act which may rather bring more confusion especially in a context where access to information still remains a challenge. However, SSuDEMOP and civil society partners would rather the Finance Bill present list of eligible goods and services for tax exemption in each financial year.