

Public Benefit Organisation (PBO)

A public benefit organisation (PBO) is a non-profit company (as set out in schedule 1 of the Companies Act) that has been established in South Africa.

The PBO should exclusively carry out public benefit activities in a non-profit manner. To be considered for a rates rebate, the organisation should be a PBO that qualifies for a tax exemption as contemplated by part 1 of the ninth schedule of the Income Tax Act. A PBO is required to provide a specified public benefit service ("The Act requires that the PBO conducts its activities in a non-profit manner and with an altruistic or philanthropic intent.") as set out in terms of Section 30 of the Income Tax Act.

Property in this category will be rated at a quarter of the residential tariff as per the prevailing nationally promulgated rates ratio based on usage.

1. Non-profit organisations used for specified public benefit activity must meet the following criteria:
 - a) The organisation should be a PBO that qualifies for a tax exemption as contemplated by part 1 of the ninth schedule of the Income Tax Act [with reference to: item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development)];
 - b) The organisation should be providing a specified public benefit activity as set out in terms of Section 30 of the Income Tax Act.
 - c) The property must be registered in the name of the non-profit organisation.
2. The PBO shall apply to the City's Social Development department to be recognised as such.

Social Development department will assess the PBO in line with their requirements and recommend. The recommended PBO shall provide the Social Development department with 3 year audited financial statements for assessment.