

Individual income tax

Rates and rebates

All persons (including deceased estates) other than companies and trusts, but including special trusts

Taxable income

Rates of tax – year of assessment ending on 29 February 2020				
R0	–	R 195 850	18% of each R1	
R195 851	–	R 305 850	R35 253 + 26% of each R above R195 850	
R305 851	–	R 423 300	R63 853 + 31% of each R above R305 850	
R423 301	–	R 555 600	R100 263 + 36% of each R above R423 300	
R555 601	–	R 708 310	R147 891 + 39% of each R above R555 600	
R708 311	–	R1 500 000	R207 448 + 41% of each R above R708 310	
R1 500 001 +		R532 041	+ 45% of each R above R1 500 000	
Ordinary trusts are taxed at a flat rate of 45%.				

Rebates

	2018/19	2019/20
Primary	R14 067	R14 220
Secondary – 65 years and older	R 7 713	R 7 794
Third rebate – 75 years and older	R 2 574	R 2 601

Tax thresholds

	2018/19	2019/20
Below 65	R 78 150	R 79 000
65 to below 75 years	R121 000	R122 300
75 years and older	R135 300	R136 750

Taxable income from retirement fund lump sum – Withdrawal benefits

Rate of tax			
R0	–	R 25 000	0%
R25 001	–	R660 000	18% of each R above R25 000
R660 001	–	R990 000	R114 300 + 27% of each R above R660 000
R990 001+		R203 400	+ 36% of each R above R990 000

Taxable income from retirement fund lump sum – Retirement benefits

Rate of tax			
R0	–	R 500 000	0%
R500 001	–	R 700 000	18% of each R above R500,000
R700 001	–	R1 050 000	R36 000 + 27% of each R above R700 000
R1 050 001+		R130 500	+ 36% of each R above R1 050 000

Foreign dividends*	
Shareholding < 10%	Maximum effective rate 20%
Shareholding > 10%	Exempt (subject to conditions)

\* Applicable to all shareholders (whether individuals, trusts or companies)

Exemptions and deductions

Interest exemption	2018/19	2019/20
Under 65	R23 800	R23 800
65 years and older	R34 500	R34 500

Relief for medical expenses

	2018/19	2019/20
All taxpayers:		
Medical scheme contributions	Rebate per month	Rebate per month
Taxpayer	R310	R310
Taxpayer and first dependant	R620	R620
Each additional dependant	R209	R209
Other medical expenses	Annual rebate	Annual rebate
65 years and older and disabled	33.3% of medical scheme contributions in excess of 3x medical scheme rebate and 33.3% of other expenses	33.3% of medical scheme contributions in excess of 3x medical scheme rebate and 33.3% of other expenses
All other under 65s	25% of aggregate of medical scheme contributions in excess of 4x medical scheme rebate and other expenses	25% of aggregate of medical scheme contributions in excess of 4x medical scheme rebate and other expenses

Employees

Inclusions in monthly remuneration

	2018/19	2019/20
Travel allowance:		
Standard inclusion rate	80%	80%
If business travel > 80%	20%	20%
Company car fringe benefit:		
Standard inclusion rate	80%	80%
If business travel > 80%	20%	20%

Travel allowances

\* Taxpayers are required to record business travel in a log book.

Deemed cost rates per kilometre

Value of vehicle (including VAT)	Fixed cost	Fuel cost	Maintenance
	(R p.a.)	(c/km)	(c/km)
0	– 85 000	28 352	95.7
85 001	– 170 000	50 631	106.8
170 001	– 255 000	72 983	116.0
255 001	– 340 000	92 683	124.8
340 001	– 425 000	112 443	133.5
425 001	– 510 000	133 147	153.2
510 001	– 595 000	153 850	158.4
595 000+		153 850	158.4

Alternative rate table

	2018/19	2019/20
Alternative deemed rate per km (subject to conditions)	361 c/km	361 c/km

This alternative rate is not available if compensation of an allowance or reimbursement is received (other than parking or toll fees).

Company cars (private use of employer-owned vehicle) Taxable benefit per month

	Taxable % (of determined value)
Standard rate	3.5%
If the car is subject to a maintenance plan	3.25%

Deemed subsistence allowances and advances

	2018/19	2019/20
Meals and incidental costs (in SA)	R416 per day	R435 per day
Incidental costs only	R128 per day	R134 per day
Accommodation outside SA	Country rates published by Government Notice	Country rates published by Government Notice
All rates subject to periodic change		

Companies

Company tax rates

	2018/19	2019/20
Normal income tax	28%	28%
Dividends tax	20%	20%

Small business corporation Taxable income

Rate of tax			
0	–	R 79 000	0%
R79 001	–	R365 000	7% of each R above R79 000
R365 001	–	R550 000	R20 020 + 21% of each R above R365 000
R550 001+		R58 870	+ 28% of each R above R550 000

Micro business – Turnover tax Taxable turnover

Rate of tax			
0	–	R335 000	0%
R335 001	–	R500 000	1% of each R above R335 000
R500 001	–	R750 000	R1 650 + 2% of each R above R500 000
R750 001+		R6 650	+ 3% of each R above R750 000

Capital gains tax

Person	Inclusion rate %		Max effective rate %	
	2018/19	2019/20	2018/19	2019/20
Natural persons	40	40	18.0	18.0
Special trusts	40	40	18.0	18.0
Other trusts	80	80	36.0	36.0
Companies	80	80	22.4	22.4

Exclusions

	2018/19	2019/20
Primary residence	R2m	R2m
Annual exclusion	R40 000	R40 000
Year of death	R300 000	R300 000
Small business exclusion for individuals over 55 years	R1.8m	R1.8m

VAT

	2018/19	2019/20
Rate	15%	15%
Registration threshold:		
Compulsory	R1m	R1m
Voluntary	R50 000	R50 000

Payments to non-residents

Type of payment	Withholding tax	
Dividends		20%
Interest		15%
Royalties		15%
Visiting entertainers and sports people		15%
Sale of immovable property in SA by a non-resident	Trust: Company: Natural person:	15% 10% 7.5%

Donations tax and estate duty

Rate	2018/19	2019/20
First R30 million	20%	20%
Above R30 million	25%	25%
Donations tax exemption:		
Natural persons	R100 000	R100 000
Other	R 10 000	R 10 000
Estate duty abatement	R 3.5m	R 3.5m

Percentage-based penalties

Tax area	Reason	Penalty
Provisional tax	1st or 2nd payment late	10%
Provisional tax	Underestimate	20%
Provisional tax	3rd payment late	0% (but interest potentially payable)
VAT	Late payment	10%
Employees' tax	Late payment	10%
	Late filing of EMP501	10%

Fixed penalties (per month):  
Administrative non-compliance

Taxable income for preceding year	Monthly penalty
Assessed loss	R 250
R 0 – R 250 000	R 250
R250 001 – R 500 000	R 500
R500 001 – R 1 000 000	R 1 000
R1 000 001 – R 5 000 000	R 2 000
R5 000 001 – R10 000 000	R 4 000
R10 000 001 – R50 000 000	R 8 000
R50 000 001+	R16 000
Maximum successive penalties: 36 (SARS in possession of address) or 48 (SARS not in possession of address)	

Administrative non-compliance is the failure to comply with an obligation imposed by or under a tax act and is listed in a public notice by the Commissioner. Administrative non-compliance penalties on the failure to submit corporate income tax returns for the 2009 year of assessment and subsequent years were introduced on 15 December 2018.

Contacts

**Africa Tax Leader**  
David Tarimo  
david.tarimo@pwc.com

**Southern Africa Tax Leader**  
Jabu Masondo  
jabu.masondo@pwc.com

**Tax Policy Leader**  
Kyle Mandy  
kyle.mandy@pwc.com

Visit [www.pwc.co.za](http://www.pwc.co.za) for details of our offices in South Africa.

The information contained in this booklet is based on our interpretation of the existing legislation and budget proposals. These proposals are subject to amendment during the forthcoming debate in the National Assembly before they become law. Whilst we have taken every care in preparing this booklet we cannot accept responsibility for any inaccuracies that may arise. We suggest that you use this booklet as a guide, but that you consult us before taking any decisions based on the information contained herein.

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Transfer duty

Value of property	Rate of duty
R0 – R 900 000	0%
R900 001 – R 1 250 000	3% on value above R900 000
R1 250 001 – R 1 750 000	R10 500 + 6% on value above R1 250 000
R1 750 001 – R 2 250 000	R40 500 + 8% on the value above R1 750 000
R2 250 001 – R10 000 000	R80 500+ 11% on the value above R2 250 000
R10 000 000+	R933 000 + 13% on the value above R10 000 000

Other rates

Skills Development Levy	2018/19	2019/20
Rate	1%	1%
Annual remuneration threshold	R500 000	R500 000
Unemployment Insurance Fund (employer and employee)	1% + 1%	1% + 1%

Interest rates

With effect from	Table 1* %	Table 2* %	Table 3** %
01/03/09	15.0	11.0	11.5
01/05/09	13.5	9.5	11.5
01/06/09	13.5	9.5	9.5
01/07/09	12.5	8.5	8.5
01/08/09	11.5	7.5	8.5
01/09/09	10.5	6.5	8.0
01/07/10	9.5	5.5	8.0
01/10/10	9.5	5.5	7.0
01/03/11	8.5	4.5	6.5
01/08/12	8.5	4.5	6.0
01/05/14	9.0	5.0	6.5
01/11/14	9.25	5.25	6.75
01/08/15	9.25	5.25	7
01/11/15	9.5	5.5	7
01/12/15	9.5	5.5	7.25
01/02/16	9.5	5.5	7.75
01/03/16	9.75	5.75	7.75
01/04/16	9.75	5.75	8
01/05/16	10.25	6.25	8
01/07/16	10.5	6.5	8
01/08/17	10.5	6.5	7.75
01/11/17	10.25	6.25	7.75
01/04/18	10.25	6.25	7.50
01/07/18	10.00	6.00	7.50
01/12/18	10.00	6.00	7.75
01/03/19	10.25	6.25	7.75

T1 – SARS pays interest to taxpayer in all instances other than T2 (including VAT refunds) AND taxpayer pays interest to SARS on late/under-paid taxes (including income tax and VAT)  
T2 – SARS pays interest to taxpayer on provisional tax overpayment  
T3 – Official rate of interest for tax purposes on fringe benefits

\* Note: Rates are subject to change in terms of the Public Finance Management Act No.1 of 1999  
\*\*Note: Rates are subject to change when the SA Reserve Bank adjusts its inter-bank (REPO) rate

Understatement penalty

Behaviour	Standard case	Obstructive or repeat case	Voluntary disclosure after notification of audit or investigation	Voluntary disclosure before notification of audit or investigation
Substantial understatement	10%	20%	5%	0%
Reasonable care not taken in completing return	25%	50%	15%	0%
No reasonable ground for tax position	50%	75%	25%	0%
Gross negligence	100%	125%	50%	5%
Intentional tax evasion	150%	200%	75%	10%

Understatement means any prejudice to SARS or the fiscus as a result of:

- A default in rendering a return
- An omission from rendering a return
- An incorrect statement in a return
- Failure to pay correct amount of tax

The burden of proving the facts on which SARS based the imposition of the understatement penalty, is upon SARS.

Tax calendar

Withholding taxes (dividends, royalties and interest)	Last day of month following the month in which amount is paid
<b>Provisional tax February year-end</b>	
1st payment	6 months before year-end (31 Aug)
2nd payment	At year-end (end-February)
3rd payment	7 months after year-end (30 Sep)
<b>Other than Feb</b>	
1st payment	6 months prior to year-end
2nd payment	At year-end
<b>Other taxes and levies</b>	
VAT	25th of month after tax period (special e-filing rules)
PAYE	7th day of each following month
SDL	7th day of each following month

