

Individuals Income Tax

Rates and Rebates

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

Taxable income	Rates of tax – years of assessment ending on 29 February 2012	
R	R	
0 – 150,000	18% of each R	
150,001 – 235,000	R27,000	+ 25% of each R above R150,000
235,001 – 325,000	R48,250	+ 30% of each R above R235,000
325,001 – 455,000	R75,250	+ 35% of each R above R325,000
455,001 – 580,000	R120,750	+ 38% of each R above R455,000
580,001 +	R168,250	+ 40% of each R above R580,000

Ordinary Trusts are taxed at a flat rate of 40%

[†]A special trust is: (a) a trust created solely for the benefit of a person who suffers from a mental illness or serious physical disability; or (b) a testamentary trust for relatives, the youngest of which is under 21.

Rebates	2010/11	2011/12
Primary	R10,260	R10,755
Secondary – 65 years and older	R 5,675	R 6,012
Third Rebate – 75 years and older	n/a	R 2,000

Tax Thresholds	2010/11	2011/12
Below 65	R57,000	R 59,750
65 to below 75 years	R88,528	R 93,150
75 years and older	R88,528	R104,261

Retirement fund lump sum – Withdrawal benefits

Lump sum amount	Rates of Tax	
0 – 22,500	0%	
22,501 – 600,000	18% of each R above R22,500	
600,001 – 900,000	R103,950	+ 27% of each R above R600,000
900,001 +	R184,950	+ 36% of each R above R900,000

Retirement fund lump sum – Retirement benefits

Lump sum amount	Rates of Tax	
0 – 315,000	0%	
315,001 – 630,000	18% of each R above R315,000	
630,001 – 945,000	R56,700	+ 27% of each R above R630,000
945,001 +	R141,750	+ 36% of each R above R945,000

Exemptions and Deductions

Interest Exemption (including taxable foreign dividends)	2010/11	2011/12
Under 65	R22,300	R22,800
65 years and older	R32,000	R33,000

Deduction for medical expenses	2010/11	2011/12
65 years and older	No limit	No limit
Handicap (i.e. taxpayer or any dependant)	No limit	No limit

Under 65:

Medical scheme contributions (Deduction per month)	2010/11	2011/12
• Taxpayer	R670	R720
• First dependant	R670	R720
• Each additional dependant	R410	R440

Other medical expenses

• Threshold – % of Taxable Income	7.5%	7.5%
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Employees

Inclusions in monthly “remuneration”	2010/11	2011/12
Travel allowance:		
Standard inclusion rate	80%	80%
If business travel > 80%	80%	20%
Company Car fringe benefit:		
Standard inclusion rate	100%	80%
If business travel > 80%	100%	20%

Travel Allowances

Deemed cost rates per kilometre				
Value of vehicle (including VAT R)	Fixed cost (R p.a.)	Fuel cost (c/km)	Maintenance (c/km)	
0 – 60,000	19,492	64.6	26.4	
60,001 – 120,000	38,726	68.0	29.2	
120,001 – 180,000	52,594	71.3	31.9	
180,001 – 240,000	66,440	77.7	35.0	
240,001 – 300,000	79,185	87.0	44.7	
300,001 – 360,000	91,873	93.9	54.2	
360,001 – 420,000	105,809	100.9	65.8	
420,001 +	119,683	113.1	67.6	

Alternative rate table	2010/11	2011/12
Alternative deemed rate per km (subject to conditions)	292 c/km	305 c/km

* Taxpayers are required to record business travel in log book

This alternative rate is not available if compensation allowance or reimbursement is received

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

	2010/11	2011/12
Meals and incidental costs (in SA)	R260 per day	R286 per day
Incidental costs only	R80 per day	R88 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

	2010/11	2011/12
Normal income tax	28%	28%
Personal service provider companies	33%	33%
SA branches of foreign companies	33%	33%
STC	10%	10%

Small Business Corporation

Taxable Income	Rate of Tax
0 – R59,750	0%
R59,751 – R300,000	10% of each R above R59,750
R300,001 +	R24,025 + 28% of each R above R300,000

Micro Business – Turnover Tax

Turnover	Tax liability
R	R
0 – 150,000	0%
150,001 – 300,000	1% of each R above R150,000
300,001 – 500,000	R1,500 + 3% of each R above R300,000
500,001 – 750,000	R7,500 + 5% of each R above R500,000
750,001 – 1,000,000	R20,000 + 7% of each R above R750,000

Capital Gains Tax

Person	Inclusion rate %		Max effective rate %	
	2010/11	2011/12	2010/11	2011/12
Natural persons	25	25	10	10
Special trusts	25	25	10	10
Other trusts	50	50	20	20
Companies	50	50	14	14

Exclusions	2010/11	2011/12
Primary residence		
• Capital Gain or Loss; OR	R1.5m	R1.5m
• Gross Value not exceeding	R 2m	R 2m
Annual exclusion	R 17,500	R 20,000
Year of death	R120,000	R200,000
Small business exclusion for individuals over 55 years	R750,000	R900,000

VAT

	2010/11	2011/12
Rate	14%	14%
Registration threshold:		
• Compulsory	R1,000,000	R1,000,000
• Voluntary	R 50,000	R 50,000

Payments to Non-Residents

Type of payment	Withholding tax
Dividends	0%
Note: Dividends Tax effective 01/04/2012	
Interest	0%
Note: Interest withholding tax effective 01/01/2013	
Royalties	12%
Visiting entertainers & sports people	15%
Sale of immovable property in SA by a non-resident	Trust: 10% Company: 7.5% Natural person: 5%

Donations Tax

	2010/11	2011/12
Rate	20%	20%
Annual exemption:		
• Natural Persons	R100,000	R100,000
• Other	R 10,000	R 10,000

Estate Duty

	2010/11	2011/12
Rate	20%	20%
Abatement	R3.5m	R3.5m

South African Offices

	Telephone	Fax
Bloemfontein	(051) 503-4100	503-4399
Cape Town	(021) 529-2000	529-3300
Durban	(031) 271 2000	202-8220
East London	(043) 707-9600	707-9700
Johannesburg	(011) 797-4000	797-5800
Kimberley	(053) 807-9000	830-2160
Lichtenburg	(018) 632-3078	632-4915
Mafikeng	(018) 386-4700	386-4900
Nelspruit	(013) 754-3300	754-3400
Paarl	(021) 807-7100	807-7200
Pietermaritzburg	(033) 343-8600	347-5957
Polokwane	(015) 291-0191	291-0200
Port Elizabeth	(041) 391-4400	391-4500
Pretoria	(012) 429-0000	429-0100
Richards Bay	(035) 901-8880	789-6097
Robertson	(023) 626-7300	626-7400
Stellenbosch	(021) 808-0400	808 0500
Welkom	(057) 916-0000	916-0100
Worcester	(023) 346-5500	346-5600

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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

Transferee	2011/12
Value of property	
• R0 – R600,000	0%
• R600,001 – R1,000,000	3% on value above R600,000
• R1,000,001 – R1,500,000	R12,000 plus 5% on value above R1,000,000
• R1,500,001 and above	R37,000 plus 8% on the value above R1,500,000

Other rates

	2010/11	2011/12
Skills development levy:		
• Rate	1%	1%
• Annual remuneration threshold	R500,000	R500,000
Unemployment Insurance Fund (employer & employee)	1% + 1%	1% + 1%

Interest Rates

With effect from	A %	B %	C %
01/11/04	6.5	10.5	11.5
01/09/05	6.5	10.5	8.0
01/09/06	6.5	10.5	9.0
01/11/06	7.0	11.0	9.0
01/03/07	8.0	12.0	10.0
01/09/07	8.0	12.0	11.0
01/11/07	9.0	13.0	11.0
01/03/08	10.0	14.0	12.0
01/09/08	11.0	15.0	13.0
01/03/09	11.0	15.0	11.5
01/05/09	9.5	13.5	11.5
01/06/09	9.5	13.5	9.5
01/07/09	8.5	12.5	8.5
01/08/09	7.5	11.5	8.5
01/09/09	6.5	10.5	8.0
01/07/10	5.5	9.5	8.0
01/10/10	5.5	9.5	7.0
01/03/11	4.5	8.5	7.0

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

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%
VAT	Misrepresentation/ Intention to evade tax	Up to 200%
Income tax	Error, omission or incorrect statement	200% but may be reduced
Employees tax	Late payment	10%
	Late filing of EMP501	10%
Employees tax	Misrepresentation/ Intention to evade tax	Up to 200%

Fixed Penalties (per month): Income Tax Act Non-Compliance

Taxable income for preceding year	Penalty
Assessed loss	R 250
R0 – R 250,000	R 250
R 250,001 – R 500,000	R 500
R 500,001 – R 1,000,000	R 1,000
R 1,000,001 – R 5,000,000	R 2,000
R 5,000,001 – R10,000,000	R 4,000
R10,000,000 – R50,000,000	R 8,000
Above R50,000,000	R16,000

Maximum successive penalties: 36 (SARS in possession of address) or 48 (SARS not in possession of address)

Tax Calendar

STC payments	Last day of the month following the month in which dividend cycle ends
Provisional tax	
<i>February year-end</i>	
1 st payment	6 months before year-end (31 Aug)
2 nd payment	At year end (end-February)
3 rd payment	7 months after year-end (30 Sep)
<i>Other than Feb</i>	
1 st payment	6 months prior to year end
2 nd payment	At year end
Other taxes and levies	
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

Hills to climb Budget 2011/2012

