

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 28 February 2015	
R	R	
0 – 174,550	18% of each R	
174,551 – 272,700	31,419	+ 25% of each R above 174,550
272,701 – 377,450	55,957	+ 30% of each R above 272,700
377,451 – 528,000	87,382	+ 35% of each R above 377,450
528,001 – 673,100	140,074	+ 38% of each R above 528,000
673,101 +	195,212	+ 40% of each R above 673,100

Ordinary trusts are taxed at a flat rate of 40%.

Rebates	2013/14	2014/15
Primary	R12,080	R12,726
Secondary – 65 years and older	R 6,750	R 7,110
Third rebate – 75 years and older	R 2,250	R 2,367

Tax thresholds	2013/14	2014/15
Below 65	R 67,111	R 70,700
65 to below 75 years	R 104,611	R 110,200
75 years and older	R 117,111	R 123,350

Retirement fund lump sum – Withdrawal benefits

Lump sum amount	Rates of tax	
0 – 25,000	0%	
25,001 – 660,000	18% of each R above R25,000	
660,001 – 990,000	R114,300	+ 27% of each R above R660,000
990,001 +	R203,400	+ 36% of each R above R990,000

Retirement fund lump sum – Retirement benefits

Lump sum amount	Rates of tax	
0 – 500,000	0%	
500,001 – 700,000	18% of each R above R500,000	
700,001 – 1,050,000	R36,000	+ 27% of each R above R700,000
1,050,001 +	R130,500	+ 36% of each R above R1,050,000

Foreign dividends*

- Shareholding < 10% Maximum effective rate 15%
- Shareholding > 10% Exempt (subject to conditions)

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

Exemptions and deductions

Interest exemption	2013/14	2014/15
Under 65	R23,800	R23,800
65 years and older	R34,500	R34,500

Relief for medical expenses	2013/14	2014/15
All taxpayers:		
Medical scheme contributions	Rebate per month	Rebate per month
• Taxpayer +	R242	R257
• First dependant	R484	R514
• Each additional dependant	R162	R172
Other medical expenses	Annual threshold	Annual rebate
• 65 years and older & disabled	None	33,3% of medical scheme contributions in excess of 3x medical scheme rebate and 33,3% of other expenses
• All other under 65s	7,5% of taxable income	25% of aggregate of medical scheme contributions in excess of 4x medical scheme rebate and other expenses

Employees

Inclusions in monthly "remuneration"	2013/14	2014/15
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 log book.

Deemed cost rates per kilometre

Value of vehicle (including VAT R)	Fixed cost (R p.a.)	Fuel cost (c/km)	Maintenance (c/km)
0 – 80,000	25,946	92.3	27.6
80,001 – 160,000	46,203	103.1	34.6
160,001 – 240,000	66,530	112.0	38.1
240,001 – 320,000	84,351	120.5	41.6
320,001 – 320,000	102,233	128.9	48.8
400,001 – 480,000	120,997	147.9	57.3
480,001 – 560,000	139,760	152.9	71.3
560,000 +	139,760	152.9	71.3

Alternative rate table	2013/14	2014/15
Alternative deemed rate per km (subject to conditions)	324 c/km	330 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

	2013/14	2014/15
Meals and incidental costs (in SA)	R319 per day	R335 per day
Incidental costs only	R98 per day	R103 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

	2013/14	2014/15
Normal income tax	28%	28%
Dividends tax	15%	15%

Small business corporation

Taxable income	Rate of tax	
0 – R70,700	0%	
R70,701 – R365,000	7% of each R above R70,700	
R365,001 – R550,000	R20,601	+ 21% of each R above R365,000
R550,001 +	R59,451	+ 28% of each R above R550,000

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 + 2% of each R above R300,000	
500,001 – 750,000	R5,500 + 4% of each R above R500,000	
750,001 – 1,000,000	R15,500 + 6% of each R above R750,000	

Capital Gains Tax

Person	Inclusion rate %		Max effective rate %	
	2013/14	2014/15	2013/14	2014/15
Natural persons	33.3	33.3	13.3	13.3
Special trusts	33.3	33.3	13.3	13.3
Other trusts	66.6	66.6	26.6	26.6
Companies	66.6	66.6	18.6	18.6

Exclusions	2013/14	2014/15
Primary residence	R2m	R2m
Annual exclusion	R 30,000	R 30,000
Year of death	R300,000	R300,000
Small business exclusion for individuals over 55 years	R1.8m	R1.8m

VAT

	2013/14	2014/15
Rate	14%	14%
Registration threshold:		
• Compulsory	R 1m	R 1m
• Voluntary	R50,000	R50,000

Payments to non-residents

Type of payment	Withholding tax	
Dividends	15%	
Interest	–	
Note: Applicable at 15% on interest paid on or after 1 January 2015		
Royalties	12%	
Note: Increased to 15% on royalties paid on or after 1 January 2015		
Visiting entertainers and sports people	15%	
Sale of immovable property in SA by a non-resident	Trust:	10%
	Company:	7.5%
	Natural person:	5%

Donations tax and estate duty

	2013/14	2014/15
Rate	20%	20%
Donations tax exemption:		
Natural persons	R100,000	R100,000
Other	R 10,000	R 10,000
Estate duty abatement	R3.5m	R3.5m

Tax calendar

Withholding taxes (dividends, royalties and interest) Last day of month following the month in which dividend is paid

Provisional tax

February year-end

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)

Other than Feb

1st payment 6 months prior to year end
2nd 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

South African offices

	Telephone	Fax
Bloemfontein	(051) 503-4100	503-4299
Cape Town	(021) 529-2000	529-3300
Durban	(031) 271 2000	815-2000
East London	(043) 707-9600	707-9700
Emalaheni	(013) 813 0600	813-0700
Gauteng – Menlyn	(012) 429-0000	429-0100
Gauteng – Sunninghill	(011) 797-4000	797-5800
Kimberley	(053) 807-9000	807-9100
Lichtenburg	(018) 632-3078	632-4915
Mafikeng	(018) 386-4700	386-4900/1
Middelburg	(013) 813-0400	243-2501
Mbombela /Nelspruit	(013) 754-3300	754-3400
Paarl	(021) 807-7100	807-7200
Pietermaritzburg	(033) 343-8600	347-5957
Polokwane	(015) 817-2000	817-2200
Port Elizabeth	(041) 391-4400	391-4500
Richards Bay	(035) 901-8880	789-6097
Robertson	(023) 626-7300	626-7400
Rustenburg	(014) 813 0200	813 0300
Stellenbosch	(021) 815 3000	815 3100
Welkom	(057) 916-0000	916-0100
Worcester	(023) 346-5500	346-5600

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	2014/15
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

	2013/14	2014/15
Skills Development Levy:		
• 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

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.

Contacts

Africa Tax Leader

Paul de Chalain
paul.de.chalain@za.pwc.com

National Tax Technical Leader

Kyle Mandy
kyle.mandy@za.pwc.com

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
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	R 16,000

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. As at 27 February 2013, only the failure by a natural person to submit an income tax return (subject to further other conditions) was listed as specified non-compliance.

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.

Progress with a purpose

Budget 2014/2015

