

## 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 28 February 2013	
	R	R
0 – 160,000	18% of each R	
160,001 – 250,000	28,800	+ 25% of each R above 160,000
250,001 – 346,000	51,300	+ 30% of each R above 250,000
346,001 – 484,000	80,100	+ 35% of each R above 346,000
484,001 – 617,000	128,400	+ 38% of each R above 484,000
617,001 +	178,940	+ 40% of each R above 617,000

Ordinary Trusts are taxed at a flat rate of 40%

Rebates	2011/12	2012/13
Primary	R 10,755	R11,440
Secondary – 65 years and older	R 6,012	R 6,390
Third Rebate – 75 years and older	R 2,000	R 2,130

Tax Thresholds	2011/12	2012/13
Below 65	R 59,750	R 63,556
65 to below 75 years	R 93,150	R 99,056
75 years and older	R104,261	R110,889

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	2011/12	2012/13
Under 65	R22,800	R22,800
65 years and older	R33,000	R33,000
Foreign interest exemption (included in exemption totals above)	R 3,700	R 3,700

Relief for medical expenses	2011/12	2012/13
<b>65 years and older:</b>		
All medical expenses – Deduction	No limit	No limit
<b>Under 65:</b>		
<b>Medical scheme contributions</b>	<b>Deduction per month</b>	<b>Rebate per month</b>
• Taxpayer	R720	R230
• First dependent	R720	R230
• Each additional dependent	R440	R154
<b>Other medical expenses</b>	<b>Annual Deduction</b>	<b>Annual Deduction</b>
Qualifying Expenses (including excess medical scheme contributions)	Expenses in excess of medical scheme deductions	Expenses in excess of 4 x rebates
Deduction amount		
• Handicapped	No limit	No limit
• All other under 65s	Excess over 7.5% of Taxable Income	Excess over 7.5% of Taxable Income

### Employees

Inclusions in monthly "remuneration"	2011/12	2012/13
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	Fuel cost	Maintenance
R	(R p.a.)	(c/km)	(c/km)
0 – 60,000	19,492	73.7	25.7
60,001 – 120,000	38,726	77.6	29.0
120,001 – 180,000	52,594	81.5	32.3
180,001 – 240,000	66,440	89.6	36.9
240,001 – 300,000	79,185	102.7	45.2
300,001 – 360,000	91,873	117.1	53.7
360,001 – 420,000	105,809	119.3	65.2
420,001 +	119,683	133.6	68.3

Alternative rate table	2011/12	2012/13
Alternative deemed rate per km (subject to conditions)	305 c/km	316 c/km

*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

	2011/12	2012/13
Meals and incidental costs (in SA)	R286 per day	R303 per day
Incidental costs only	R88 per day	R93 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

	2011/12	2012/13
Normal income tax	28%	28%
Personal service provider companies	33%	28%
SA branches of foreign companies	33%	28%
STC*	10%	n/a
Dividends Tax*	n/a	15%

(\*Dividends Tax replaces STC – 1 April 2012)

#### Small Business Corporation

Taxable Income	Rate of Tax
0 – R63,556	0%
R63,557 – R350,000	7% of each R above R63,557
R350,001 +	R20,051 + 28% of each R above R350,000

#### 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 %	
	2011/12	2012/13	2011/12	2012/13
Natural persons	25	33.3	10	13.3
Special trusts	25	33.3	10	13.3
Other trusts	50	66.6	20	26.7
Companies	50	66.6	14	18.6

Exclusions	2011/12	2012/13
Primary residence	R1,5m	R2m
Annual exclusion	R 20,000	R 30,000
Year of death	R200,000	R300,000
Small business exclusion for individuals over 55 years	R900,000	R1.8m

### VAT

	2011/12	2012/13
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	15%
<b>Note:</b> Dividends Tax effective 1 April 2012	
Interest	15%
<b>Note:</b> Interest withholding tax effective 1 January 2013	
Royalties	12%
<b>Note:</b> Proposed increase to 15%	
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

	2011/12	2012/13
Rate	20%	20%
Annual exemption:		
• Natural Persons	R100,000	R100,000
• Other	R 10,000	R10,000

### Estate Duty

	2011/12	2012/13
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) 347-8600	347-5957
Polokwane	(015) 291-0100	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) 815 3000	815 3100
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	2012/13
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

	2011/12	2012/13
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	6.5

A. SARS pays interest to taxpayer on provisional tax overpayment

B. 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)

C. Official rate of interest for tax purposes on fringe benefits

\*Note: Rates are subject to change when the SA Reserve Bank adjusts its inter-bank rate.

## Penalties

Note: The penalty rules are expected change upon the promulgation of the new Tax Administration Bill.

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%
Employees tax	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
Dividends Tax	Last day of month following the month in which dividend is paid
Provisional tax	
February year-end	
1 <sup>st</sup> payment	6 months before year-end (31 Aug)
2 <sup>nd</sup> payment	At year end (end-February)
3 <sup>rd</sup> payment	7 months after year-end (30 Sep)

### Other than Feb

1 <sup>st</sup> payment	6 months prior to year end
2 <sup>nd</sup> 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

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