



Budget 2021/2022

Time to take our medicine



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 2022

R1 – R216,200	18% of each R1
R216,201 – R337,800	R38,916 + 26% of each R above R216,200
R337,801 – R467,500	R70,532 + 31% of each R above R337,800
R467,501 – R613,600	R110,739 + 36% of each R above R467,500
R613,601 – R782,200	R163,335 + 39% of each R above R613,600
R782,201 – R1,656,600	R229,089 + 41% of each R above R782,200
R1,656,601 +	R587,593 + 45% of each R above R1,656,600

Ordinary trusts are taxed at a flat rate of 45%.

Rebates

Rebates	2020/21	2021/22
Primary	R14 958	R15,714
Secondary – 65 years and older	R8 199	R8,613
Third rebate – 75 years and older	R2 736	R2,871

Tax thresholds

Tax thresholds	2020/21	2021/22
Below 65	R83 100	R87,300
65 to below 75 years	R128 650	R135,150
75 years and older	R143 850	R151,100

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	2020/21	2021/22
Under 65	R23 800	R23,800
65 years and older	R34 500	R34,500

Relief for medical expenses

	2020/21	2021/22
<i>All taxpayers:</i>		
Medical scheme contributions	Rebate per month	Rebate per month
Taxpayer	R319	R332
Taxpayer and first dependant	R638	R664
Each additional dependant	R215	R224
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



Inclusions in monthly remuneration

	2020/21	2021/22
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	(R p.a.)	(c/km)	(c/km)
0 – 95 000	29,504	104.1	38.6
95,001 – 190,000	52,226	116.2	48.3
190,001 – 285,000	75,039	126.3	53.2
285,001 – 380,000	94,871	135.8	58.1
380,001 – 475,000	114,781	145.3	68.3
475,001 – 570 000	135,746	166.7	80.2
570,001 – 665,000	156,711	172.4	99.6
665,000+	156,711	172.4	99.6

Alternative rate table

	2020/21	2021/22
Alternative deemed rate per km (subject to conditions)	398 c/km	382 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

	2020/21	2021/22
Meals and incidental costs (in SA)	R452 per day	R452 per a day
Incidental costs only	R139 per day	R139 per day
Accommodation outside SA	Country rates published by Government Notice	Country rates published by Government Notice
All rates subject to periodic change		



Company tax rates

	2020/21	2021/22
Normal income tax	28%	28%
Dividends tax	20%	20%

Small business corporation

Taxable income

	Rate of tax
R1 – R87,300	0%
R87,301 – R365,000	7% of each R above R87,300
R365,001 – R550,000	R19,439 + 21% of each R above R365,000
R550,001+	R58,289 + 28% of each R above R550,000

Micro business – Turnover tax

Taxable turnover

	Rate of tax
R0 – 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 %	
	2020/21	2021/22	2020/21	2021/22
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

	2020/21	2021/22
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

	2020/21	2021/22
Rate	15%	15%
Registration threshold:		
Compulsory	R1m	R1m
Voluntary	R50 000	R50 000

Carbon tax

	2020/21	2021/22
Rate	R127/ per tonne of CO ₂ e	R134/ per tonne of CO ₂ e

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: 15% Company: 10% Natural person: 7.5%

Donations tax and estate duty

Rate	2020/21	2021/22
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

Transfer duty



Value of property

			Rate of duty
R0	–	R1 000 000	0%
R 1 000 001	–	R1 375 000	3% on value above R1 000 000
R1 375 001	–	R1 925 000	R11,250 + 6% on value above R1,375,000
R1 925 001	–	R2 475 000	R44,250 + 8% on the value above R1,925,000
R2 475 001	–	R11 000 000	R88,250 + 11% on the value above R2,475,000
R11 000 001+			R1,026,000 + 13% on the value above R11,000,000

Other rates

Skills Development Levy

	2020/21	2021/22
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	7.0
01/11/15	9.5	5.5	7.0
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	8.0
01/05/16	10.25	6.25	8.0
01/07/16	10.5	6.5	8.0
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
01/08/19	10.25	6.25	7.50
01/11/19	10.00	6.00	7.50
01/02/20	10.00	6.00	7.25
01/04/20	10.00	6.00	6.25
01/05/20	9.75	5.75	5.25
01/06/20	9.75	5.75	4.75
01/07/20	7.75	3.75	4.75
01/08/20	7.75	3.75	4.50
01/09/20	7.25	3.25	4.50
01/11/20	7.00	3.00	4.50

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%
Impermissible avoidance arrangement	75%	100%	35%	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.



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

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.

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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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