

Budget 2022/2023

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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 2023

R1 – R226,000	18% of each R1
R226,001 – R353,100	R40,680 + 26% of each R above R226,000
R353,101 – R488,700	R73,726 + 31% of each R above R353,100
R488,701 – R641,400	R115,762 + 36% of each R above R488,700
R641,401 – R817,600	R170,734 + 39% of each R above R641,400
R817,601 – R1,731,600	R239,452 + 41% of each R above R817,600
R1,731,601+	R614,192 + 45% of each R above R1,731,600

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

Rebates

Rebates	2021/22	2022/23
Primary	R15,714	R16,425
Secondary – 65 years and older	R8,613	R9,000
Third rebate – 75 years and older	R2,871	R2,997

Tax thresholds

Tax thresholds	2021/22	2022/23
Below 65	R87,300	R91,250
65 to below 75 years	R135,150	R141,250
75 years and older	R151,100	R157,900

Taxable income from retirement fund lump sum – Withdrawal benefits

Rate of tax

R0 – R25,000	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 – R500,000	0%
R500,001 – R700,000	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	2021/22	2022/23
Under 65	R23,800	R23,800
65 years and older	R34,500	R34,500

Relief for medical expenses

	2021/22	2022/23
<i>All taxpayers:</i>		
Medical scheme contributions	Rebate per month	Rebate per month
Taxpayer	R332	R347
Taxpayer and first dependant	R664	R694
Each additional dependant	R224	R234
Other medical expenses	Annual rebate	Annual rebate
65 years and older and disabled	33.3% of the sum of qualifying medical expenses paid, and an amount by which medical scheme contributions paid exceed 3x the medical scheme tax credits for the year	33.3% of the sum of qualifying medical expenses paid, and an amount by which medical scheme contributions paid exceed 3x the medical scheme tax credits for the year
All other under 65s	25% of an amount equal to the sum of the qualifying medical expenses paid, and an amount by which medical scheme contributions paid exceed 4 times the medical scheme fees tax credit for the year, limited to the amount exceeding 7.5% of taxable income	25% of an amount equal to the sum of the qualifying medical expenses paid, and an amount by which medical scheme contributions paid exceed 4 times the medical scheme fees tax credit for the year, limited to the amount exceeding 7.5% of taxable income



Inclusions in monthly remuneration

	2021/22	2022/23
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)	(c/km)	(c/km)
0 – 95,000	29,836	131.7	40.9
95,001 – 190,000	52,889	147.0	51.1
190,001 – 285,000	76,033	159.7	56.3
285,001 – 380,000	96,197	171.8	61.5
380,001 – 475,000	116,438	183.8	72.3
475,001 – 570,000	137,735	210.8	84.9
570,001 – 665,000	159,031	218.0	105.5
665,000+	159,031	218.0	105.5

Alternative rate table

	2021/22	2022/23
Alternative deemed rate per km (subject to conditions)	382 c/km	418 c/km

This alternative rate is not available if compensation in the form 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

	2021/22	2022/23
Meals and incidental costs (in SA)	R452 per a day	R493 per a day
Incidental costs only	R139 per day	R152 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

Years of assessment ending on any date between 1 April 2022 and 30 March 2023

Normal income tax	28%
Dividends tax	20%

Years of assessment ending on any date on or after 31 March 2023

Normal income tax	27%
Dividends tax	20%

Small business corporation

Years of assessment ending on any date between 1 April 2021 and 30 March 2023.

Taxable income	Rate of tax
R1 – R91,250	0%
R91,251 – R365,000	7% of each R above R91,250
R365 001 – R550,000	R19,163 + 21% of each R above R365,000
R550,001+	R58,013 + 28% of each R above R550,000

Years of assessment ending on any date on or after 31 March 2023

Taxable income	Rate of tax
R1 – R91,250	0%
R91,251 – R365,000	7% of each R above R91,250
R365 001 – R550,000	R19,163 + 21% of each R above R365,000
R550,001+	R58,013 + 27% of each R above R550,000

Micro business – Turnover tax

Taxable turnover

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 %	
	2021/22	2022/23	2021/22	2022/23
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*

* Will reduce to 21.6% for tax years ending on or after 31 March 2023.

Exclusions

	2021/22	2022/23
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

	2021/22	2022/23
Rate	15%	15%
Registration threshold:		
Compulsory	R1m	R1m
Voluntary	R50,000	R50,000

Carbon tax

	2021/22	2022/23
Rate	R134/ per tonne of CO ₂ e	R144/ per tonne of CO ₂ e*

* Effective from 1 January 2022

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	2021/22	2022/23
First R30 million	20%	20%
Above R30 million	25%	25%
Donations tax exemption:		
Natural persons	R100,000	R100,000
Other	R10,000	R10,000
Estate duty abatement	R3.5m	R3.5m



Transfer duty

Value of property

			Rate of duty
R0	–	R1,000,000	0%
R1,000,001	–	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

	2021/22	2022/23
Securities transfer tax	0.25%	0.25%
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
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
01/12/21	7.00	3.00	4.75
01/02/22	7.00	3.00	5.00
01/03/22	7.25	3.25	5.00

Table 1 – SARS pays interest to taxpayer in all instances other than Table 2 (including VAT refunds) AND taxpayer pays interest to SARS on late/under-paid taxes (including income tax and VAT)

Table 2 – SARS pays interest to taxpayer on provisional tax overpayment

Table 3 – 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:

- Failure to submit a return
- An omission from a return
- An incorrect statement in a return
- Failure to pay correct amount of tax (if no return is required)
- Impermissible avoidance arrangement

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

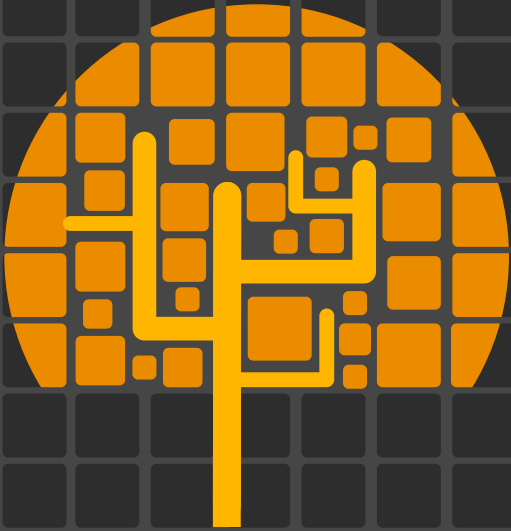
Tax area	Reason	Penalty
Provisional tax	1st or 2nd payment late	10%
Provisional tax	Underestimate	20%
Provisional tax	3rd payment late	0% (but interest potentially payable)
VAT	Late payment	10%
Employees' tax	Late payment	10%
	Late filing of EMP501	10%

Fixed penalties (per month): Administrative non-compliance

Taxable income for preceding year	Monthly penalty
Assessed loss	R250
R 0 – R250,000	R250
R250,001 – R500,000	R500
R500,001 – R1,000,000	R1,000
R1,000,001 – R5,000,000	R2,000
R5,000,001 – R10,000,000	R4,000
R10,000,001 – R50,000,000	R8,000
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. Effective from 1 December 2022, natural persons with outstanding income tax returns will be subject to fixed non-compliance penalties.



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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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