

## 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 2014	
R	R	
0 – 165,600	18% of each R	
165,601 – 258,750	29,808 + 25% of each R above 165,600	
258,751 – 358,110	53,096 + 30% of each R above 258,750	
358,111 – 500,940	82,904 + 35% of each R above 358,110	
500,941 – 638,600	132,894 + 38% of each R above 500,940	
638,601 +	185,205 + 40% of each R above 638,600	

Ordinary Trusts are taxed at a flat rate of 40%

Rebates	2012/13	2013/14
Primary	R11,440	R12,080
Secondary – 65 years and older	R 6,390	R 6,750
Third Rebate – 75 years and older	R 2,130	R 2,250

Tax Thresholds	2012/13	2013/14
Below 65	R 63,556	R 67,111
65 to below 75 years	R 99,056	R 104,611
75 years and older	R110,889	R117,111

### 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	

### Foreign Dividends\*

- Shareholding < 10% Maximmum effective rate 15%
- Shareholding > 10% Exempt

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

### Exemptions and Deductions

Interest Exemption	2012/13	2013/14
Under 65	R22,800	R23,800
65 years and older	R33,000	R34,500

Relief for medical expenses	2012/13	2013/14
<b>65 years and older:</b>		
All medical expenses – Deduction	No limit	No limit
<b>Under 65:</b>		
<b>Medical scheme contributions</b>	<b>Rebate per month</b>	<b>Rebate per month</b>
• Taxpayer	R230	R242
• First dependant	R460	R484
• Each additional dependant	R154	R162
<b>Other medical expenses</b>	<b>Annual Deduction</b>	<b>Annual Deduction</b>
Qualifying Expenses (including excess medical scheme contributions)	Expenses in excess of 4 x rebates	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”	2012/13	2013/14
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	19,310	81.4	26.2
60,001 – 120,000	38,333	86.1	29.5
120,001 – 180,000	52,033	90.8	32.8
180,001 – 240,000	65,667	98.7	39.4
240,001 – 300,000	78,192	113.6	46.3
300,001 – 360,000	90,668	130.3	54.4
360,001 – 420,000	104,374	134.7	67.7
420,001 – 480,000 +	118,078	147.7	70.5

Alternative rate table	2012/13	2013/14
Alternative deemed rate per km (subject to conditions)	316 c/km	324 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

	2012/13	2013/14
Meals and incidental costs (in SA)	R303 per day	R319 per day
Incidental costs only	R93 per day	R98 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

	2012/13	2013/14
Normal income tax	28%	28%
SA branches of foreign companies	28%	28%
Dividends Tax	15%	15%

### Small Business Corporation

Taxable Income	Rate of Tax
0 – R67,111	0%
R67,112 – R365,000	7% of each R above R67,111
R365,001 – R550,000	R20,852 + 21% of each R above R365,000
R550,001 +	R59,702 + 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 %	
	2012/13	2013/14	2012/13	2013/14
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	2012/13	2013/14
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

	2012/13	2013/14
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	–
<b>Note:</b> Applicable at 15% on interest paid on or after 1 March 2014	
Royalties	12%
<b>Note:</b> Increased to 15% on royalties paid on or after 1 March 2014	
Service Fees	–
<b>Note:</b> Applicable at 15% on services fees paid on or after 1 March 2014	
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 & Estate Duty

	2012/13	2013/14
Rate	20%	20%
Donations Tax exemption:		
Natural Persons	R100,000	R100,000
Other	R 10,000	R10,000
Estate Duty Abatement	R3.5m	R3.5m

# Creating certainty Budget 2013/2014



## Tax Calendar

Withholding Taxes (dividends, royalties and interest)	Last day of month following the month in which dividend is paid
Provisional tax	
<b>February year-end</b>	
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)
<b>Other than Feb</b>	
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	503-4399
Cape Town	(021)	529-2000	529-3300
Durban	(031)	271 2000	202-8220
East London	(043)	707-9600	707-9700
Emalahleni	(013)	656-2145	656-1378
Johannesburg	(011)	797-4000	797-5800
Kimberley	(053)	807-9000	830-2160
Lichtenburg	(018)	632-3078	632-4915
Mafikeng	(018)	386-4700	386-4900
Middelburg	(013)	243-5230	243-2501
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
Rustenburg	(014)	592-0431	597-1173
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	2013/14	
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	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

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 changed 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

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### National Tax Technical Support

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## 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 a specified non-compliance.

## Understatement Penalty

Behaviour	Standard case	Obstructive or repeat case	Voluntary disclosure after notification of audit	Voluntary disclosure before notification of audit
Substantial understatement	25%	50%	5%	0%
Reasonable care not taken in completing return	50%	75%	25%	0%
No reasonable ground for "tax position"	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.