



Budget Highlights





Budget 2009/10

A guide to how the 2009 Budget affects you



www.sars.gov.za

Budget **Highlights**

-  Real tax relief to households
-  Proposals to address environmental concerns (climate change and energy efficiency)

Relief for **Individuals**

Personal Income Tax

Budget 2009 provides significant tax relief to individuals amounting to R13 billion countering the effects of inflation (bracket creep) as well as providing real relief.

This means that individuals younger than 65 years of age earning a total amount of–

- R60 000 will pay an amount equal to an average rate of 1.7% of the earnings and save R1 476;
- R200 000 will pay an amount equal to an average rate of 15.5% of the earnings and save R2 426;
- R750 000 will pay an amount equal to an average rate of 31% of the earnings and save R5 526.

The tax threshold for individuals younger than 65 will be R54 200 and for individuals 65 or older R84 200.

Increased exemption for interest and dividend income

The annual exemption on interest earned for individuals younger than 65 years is raised from R19 000 to R21 000. The exemption for individuals older than 65 years increases from R27 500 to R30 000. The threshold for the tax-free portion of interest and dividends from foreign investment increases from R3 200 to R3 500.

Capital Gains Tax

Annual exclusion threshold for capital gains or losses increases from R16 000 to R17 500.

Medical Expenses

From 1 March 2009 the tax exempt or deductible portion of monthly contributions to medical schemes is increased from R570 to R625 for each of the first two beneficiaries and from R345 to R380 for each additional beneficiary.

Adjustments to **Excise Duties**

Excise duties are increased as follows:

- Malt beer - increased by 7 cents to 79 cents per 340ml can
- Unfortified wine - increased by 14 cents to R1.98 per litre
- Fortified wine - increased by 32 cents to R3.72 per litre
- Spirits - increased by R3.21 to R25.05 per 750ml
- Cigarettes - increased by 88 cents to R7.70 per packet of 20.

Fuel levy and the Road Accident Fund levy increased

On 1 April 2009 the fuel levy on petrol increases by 23 cents to R1.50 per litre and by 24 cents to R1.35 per litre for diesel. On the same date the Road Accident Fund levy on petrol and diesel increases by 17.5 cents per litre to 64 cents per litre.

Excise duties focusing on the Environment

- Adjustment to excise duties on motor vehicles. It is proposed to reduce the current *ad valorem* excise duty rate on the sale of new motor vehicles while introducing an additional excise duty component to take into account CO₂ emissions.
- Increase plastic bag levy to 4 cents per bag
- Introduce a charge of about R3 per bulb on energy intensive light bulbs
- Increase international air passenger departure tax to R150 (R80 to Botswana, Lesotho, Namibia and Swaziland)

Effect on **Businesses**

No change is proposed to corporate tax rates.

Incentives for investments in energy efficient technologies

It is proposed that investments by companies in energy efficient equipment should qualify for an additional allowance of up to 15 per cent, on condition that there is documentary proof of the resulting energy efficiencies, certified by the Energy Efficiency Agency.



eFiling: the best way to submit your tax return to SARS.

But don't take our word for it.

Thank you all so much for the way that you have made filing tax easier and easier over the years! My first tax return was submitted in 2001 and boy was that a complicated process and at that stage I had no medical or travel allowances etc. And now I'm pleased to say that with those benefits added the tax filing process is 100% easier than in 2001 when I did my first submission. And wow...eFiling what can I say.....submitted on 1 October and received payment of funds owing to me today (8 October). You are stars and are really making tax submission systems something that other countries can envy! Keep up the great work!

Chris Horn

I'm generally the first to log a complaint regarding poor service or delays with SARS. I must say that I was very skeptical about the 2008 tax season and the way it was working but thus far things have been going very smoothly and I must congratulate SARS on this achievement.

Michael Rushby

Over 2 000 000 taxpayers are enjoying the speed, convenience and ease of eFiling from SARS.

Isn't it time you switched to the best way of submitting your tax returns?

SARS' Fantastic Service

I WOULD like to compliment the South African Revenue Service on their efficient and effective eFiling service. I submitted my tax return online and within two working days my return was finalised and the credit owing to me was electronically banked. In previous years I have waited anything from six to 16 weeks for my refund, so I was pleasantly surprised by this fantastic turn-around time. Veronica van Rooyen from SARS, East London, was particularly helpful and provided great customer service.

Monique Richter (via email) Daily Dispatch 20 October 2008

I have been using eFiling for the last three years to file my personal income tax returns. It has been an easy, problem free process each time. This year however SARS have truly outdone themselves. With the pre-loaded IRP5's and even easier to use system, I did my tax return in ten minutes! I filed my return last week, it was assessed two days later and ONE DAY LATER my tax credit was paid into my bank account electronically. Well done to SARS for the way your systems have improved and for aiming to make it easier for us all. Never thought I would say this... but I am starting to love the tax man.

Extract from hellopeter.com

I'm blown away by the SARS eFiling service. Completed form in 4 minutes on Thursday - assessment received 10pm on Friday and refund in my account on Tuesday morning. Well done Trevor! Keep up the great service!

Extract from hellopeter.com

SARS
At Your Service

To register or find out more about eFiling, go to www.sarsefiling.co.za.

www.sars.gov.za