Rate of Tax: 41%

remuneration or an allowance or advance payable by the person’s employer.

A provisional taxpayer is any person who earns income other than wages or salary.

Tax Rebates and Tax Thresholds

Age 75 and over: R129,850
Age 65 to below 75: R116,150
Age 55 to below 65: R103,450
Age 50 to below 55: R93,750
Age 45 to below 50: R90,000
Age 40 to below 45: R85,950
Age 35 to below 40: R82,650
Age 30 to below 35: R79,350
Age 25 to below 30: R76,050
Age 20 to below 25: R72,750
Age 18 to below 20: R70,000
Age 16 to below 18: R67,200
Age 14 to below 16: R64,400
Age 12 to below 14: R61,600
Age 10 to below 12: R58,800
Age 8 to below 10: R56,000
Age 6 to below 8: R53,200
Age 5 to below 6: R50,400
Age 4 to below 5: R47,600
Age 3 to below 4: R44,800
Age 2 to below 3: R42,000
Age 1 or under: R39,200

Trusts other than special trusts:

• 406,401 – 550,100: 36% of taxable income above 406,400
• 550,101 – 700,000: 44% of taxable income above 550,100
• 700,001 – 1,050,000: 53% of taxable income above 700,000
• 1,050,001 – 1,500,000: 63% of taxable income above 1,050,000
• 1,500,001 – 2,000,000: 73% of taxable income above 1,500,000
• 2,000,001 and above: 83% of taxable income above 2,000,000

Retirement Fund Lump Sum Benefits or Severance Benefits

Retirement fund lump sum benefits consist of lump sums from a pension, retirement fund, profit-sharing scheme, or a severance settlement agreement acquired by a person on or after the date of birth.

In the case of a specific retirement fund lump sum benefit or a severance benefit, the tax payable is determined by applying the tax table to the aggregate of Y plus all other retirement fund lump sum withdrawal benefits accruing before lump sum Y from March 2009.

Severance benefits consist of lump sums from or by arrangement with an employer in respect of the end of an employment relationship, or in respect of the end of the employer's business. Such a lump sum is from March 2009.

Interest is exempt where earned by non-residents who are physically present outside the Republic of South Africa for at least 183 days of any income tax year, and interest earned by residents.

No fuel cost may be claimed if the employee has not borne the full cost of the motor vehicle for the tax year will be for business purposes.

Alternative:

The actual distance travelled during a tax year and the distance travelled and the value of the motor vehicle for the tax year will be for business purposes. The percentage is reduced to 20% if the employer is satisfied that at least 80% of the

Retirement fund lump sum benefits or severance benefits

(a) the tax is withheld by the entities paying the dividends to the individuals. Dividends received by individuals from South African companies are generally exempt from income tax, but dividends tax at a rate of 15% is equal to –

• Dividends (lump sum or severance benefit Y) is equal to –

• the tax determined by applying the tax table to the aggregate of all retirement fund lump sum withdrawal benefits or severance benefits.

• Retirement fund lump sum benefits or severance benefits.

• the tax determined by applying the tax table to the aggregate of all retirement fund lump sum withdrawal benefits or severance benefits.

Alternatively:

the tax determined by applying the tax table to the aggregate of all retirement fund lump sum withdrawal benefits or severance benefits. The amount of donations exceeding 10% of the greater of remuneration for PAYE purposes or taxable income is treated as a donation to qualifying public benefit organisations in the following way:

• Severe disability

• deduction against employment income or allowances in limited specified circumstances

• to the extent that the vehicle is covered by a maintenance plan.

No fuel cost may be claimed if the employee has not borne the full cost of the motor vehicle for the tax year will be for business purposes.

Alternatively:

the tax determined by applying the tax table to the aggregate of all retirement fund lump sum withdrawal benefits or severance benefits. The amount of donations exceeding 10% of the greater of remuneration for PAYE purposes or taxable income is treated as a donation to qualifying public benefit organisations in the following way:

• Severe disability

• deduction against employment income or allowances in limited specified circumstances

• to the extent that the vehicle is covered by a maintenance plan.

No fuel cost may be claimed if the employee has not borne the full cost of the motor vehicle for the tax year will be for business purposes.
but it does not apply to holiday accommodation hired by the employer.
The formula will apply if the accommodation is owned by the employee,
cost to the employer if the employer does not have full ownership of the property.
The value of the fringe benefit to be included in gross income is the
amount of interest charged, is to be included in gross income.
The difference between interest charged at the official rate and the actual
rate charged is to be included in the assessable income of the employee.

550 001 and above 59 150 + 28% of taxable income above 550 000
0 – 75 000 0% of taxable income
75 001 – 125 000 1 650 + 2% of taxable turnover above 75 000
125 01 – 225 000 3 280 + 4% of taxable turnover above 125 000
The difference between turnover at the official rate and the actual
rate charged is to be included in the assessable income of the employee.

Companies 28% of taxable income
Individuals and special trusts 16.4%

Residents are taxed on their worldwide income, subject to certain
exclusions. The maximum effective rate of tax is:

A final tax at the rate of 15% is imposed on gross amounts payable to non-
residents. Interest is exempt if payable by any
South African company, retirement fund or other exempt person.

A final tax at a rate of 15% is imposed on the gross amount of royalties
payable to non-residents. The tax to be withheld from payments to the non-residents
is at a rate of 5% for a non-resident individual, 7.5% for a non-resident
company and 5% for a non-resident trust that is an
income tax resident of South Africa.

The tax is imposed at a rate of 0.25 of a per cent on the transfer of listed or
unlisted securities. Securities consist of shares in companies or member’s
interests in close corporations.

A basic deduction of R3.5 million is allowed in the determination of an
individual's taxable income. Donations tax is levied at a flat rate of 20% on the value of property
transferred to public benefit organisations and property accruing to surviving spouses.

A skills development levy is payable by employers at a rate of 1% of
their employees' remuneration below a certain amount.
This is based on a contribution of 1% by employers and 1% by employees,
on the basis of a charge of 1% of total payroll by the employer. The purpose of the levy is to
increase employment opportunities for young people.

• Car introductory levy - a one-off charge levied on new and second-hand vehicles.
• Capital gains tax - applies to the disposal of capital assets.
• Estates duty - a levy on property in South Africa.
• Load levies - levied on certain public sector organisations.
• Refund of tax on successful appeal or where the appeal was
conceded by SARS.

• Late or underpayment of tax 9.75% p.a.
• Fringe benefits - interest-free or low-interest loan (official rate) 7.75% p.a.