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REPUBLIC OF SOUTH AFRICA

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**DRAFT  
RATES AND MONETARY  
AMOUNTS AND AMENDMENT  
OF REVENUE LAWS BILL**

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*(As introduced in the National Assembly (proposed section 77))  
(The English text is the official text of the Bill)*

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(MINISTER OF FINANCE)

*Draft***GENERAL EXPLANATORY NOTE:**

- [        ] Words in bold type in square brackets indicate omissions from existing enactments.
- \_\_\_\_\_ Words underlined with a solid line indicate insertions in existing enactments.

**BILL**

**To fix the rates of normal tax; to amend the Estate Duty Act, 1955, so as to amend the rate of estate duty; to amend the Income Tax Act, 1962, so as to amend rates of tax and monetary amounts; to amend the Customs and Excise Act, 1964, so as to amend rates of duty in Schedule 1 to that Act; to amend the Value-Added Tax Act, 1991, so as to amend the rate of the Value-Added Tax; to amend a provision so as to provide for more efficient taxation of electronic commerce; and to provide for matters connected therewith.**

**B** E IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

**Amendment of First Schedule to Act 45 of 1955, as substituted by section 9 of Act 92 of 1971 and amended by section 13 of Act 106 of 1980, section 3 of Act 71 of 1986, section 16 of Act 87 of 1988, section 11 of Act 37 of 1996, section 4 of Act 5 of 2001 and section 4 of Act 15 of 2016**

1. (1) The First Schedule to the Estate Duty Act, 1955, is hereby amended by the substitution in paragraph (1) for subparagraph (a) of the following subparagraph:

- “(a) (i) 20 per cent of the dutiable amount of the estate as does not exceed R30 million;  
and  
(ii) 25 per cent of the dutiable amount of the estate as exceeds R30 million;  
or”;

(2) Subsection (1) is deemed to have come into operation on 1 March 2018 and applies in respect of the estate of a person that dies on or after that date.

### Fixing of rates of normal tax

2. (1) The rates of tax fixed by Parliament in terms of section 5(2) of the Income Tax Act, 1962, are set out in paragraphs 1, 2, 3, 4, 5, 6, 7 and 9 of Schedule I.

(2) The rate of tax fixed by Parliament in terms of section 48B(1) of the Income Tax Act, 1962, is set out in paragraph 8 of Schedule I.

(3) Subject to subsection (4), the rates of tax referred to in subsection (1) apply in respect of—

- (a) any person (other than a company or a trust other than a special trust) for any year of assessment commencing on or after 1 March 2018;
- (b) any company for any year of assessment ending on or after 1 April 2018; and
- (c) any trust (other than a special trust) for any year of assessment commencing on or after 1 March 2018.

(4) The rate of tax referred to in subsection (2) applies in respect of the taxable turnover of a person that is a registered micro business as defined in paragraph 1 of the Sixth Schedule to the Income Tax Act, 1962, in respect of any year of assessment commencing on or after 1 March 2018.

**Amendment of section 6 of Act 58 of 1962, as amended by section 4 of Act 90 of 1962, section 3 of Act 6 of 1963, section 5 of Act 72 of 1963, section 8 of Act 55 of 1966, section 7 of Act 95 of 1967, section 7 of Act 76 of 1968, section 8 of Act 89 of 1969, section 7 of Act 88 of 1971, section 5 of Act 104 of 1980, section 5 of Act 96 of 1981, section 5 of Act 91 of 1982, section 4 of Act 94 of 1983, section 4 of Act 121 of 1984, section 3 of Act 96 of 1985, section 4 of Act 85 of 1987, section 4 of Act 90 of 1988, section 4 of Act 70 of 1989, section 3 of Act 101 of 1990, section 4 of Act 129 of 1991, section 4 of Act 141 of 1992, section 5 of Act 21 of 1995, section 4 of Act 36 of 1996, section 3 of Act 28 of 1997, section 22 of Act 30 of 1998, section 5 of Act 32 of 1999, section 15 of Act 30 of 2000, section 6 of Act 19 of 2001, section 11 of Act 30 of 2002, section 35 of Act 12 of 2003, section 6 of Act 16 of 2004, section 3 of Act 9 of 2005, section 7 of Act 31 of 2005, section 20 of Act 9 of 2006, section 5 of Act 8 of 2007, section 1 of Act 3 of 2008, section 7 of Act 60 of 2008, section 6 of Act 17 of 2009, section 8 of Act 7 of 2010, sections 6(3) and 9 of Act 24 of 2011, section 2 of Act 13 of 2012, section 4 of Act 23 of 2013, section 3 of Act 42 of 2014, section 4 of Act 13 of 2015, section 4 of Act 25 of 2015, section 5 of Act 13 of 2016 and section 4 of Act 14 of 2017**

3. (1) Section 6 of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (2) for paragraphs (a), (b) and (c) of the following paragraphs, respectively:

- “(a) a primary rebate, an amount of **[R13 635]** R14 067;

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- (b) a secondary rebate, if the taxpayer was or, had he or she lived, would have been 65 years of age or older on the last day of the year of assessment, an amount of **[R7 479]** R7 713; and
- (c) a tertiary rebate if the taxpayer was or, had he or she lived, would have been 75 years of age or older on the last day of the year of assessment, an amount of **[R2 493]** R2 574.”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2018 and applies in respect of years of assessment commencing on or after that date.

**Amendment of section 6A of Act 58 of 1962, as inserted by section 10 of Act 24 of 2011 and amended by section 3 of Act 13 of 2012, section 6 of Act 22 of 2012, section 5 of Act 23 of 2013, sections 6 and 7 of Act 31 of 2013, section 4 of Act 42 of 2014, section 5 of Act 13 of 2015, section 6 of Act 13 of 2016 and section 5 of Act 14 of 2017**

4. (1) Section 6A of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (2)(b) for subparagraphs (i), (ii) and (iii) of the following subparagraphs, respectively:

- “(i) **[R303]** R310, in respect of benefits to the person;
- (ii) **[R606]** R620, in respect of benefits to the person and one dependant; or
- (iii) **[R606]** R620, in respect of benefits to the person and one dependant, plus **[R204]** R209, in respect of benefits to each additional dependant,”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2018 and applies in respect of years of assessment commencing on or after that date.

**Amendment of section 64 of Act 58 of 1962, as substituted by section 59 of Act 17 of 2017**

5. (1) Section 64 of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (1) for paragraph (a) of the following paragraph:

- “(a) (i) 20 per cent of **[such]** that value if the aggregate of that value and the value of any other property disposed of under a donation until the date of that donation does not exceed R30 million; and
- (ii) 25 per cent of that value to the extent that that value is not taxed under paragraph (a): or”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2018.

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**Amendment of paragraph 9 of Seventh Schedule to Act 58 of 1962, as amended by section 31 of Act 96 of 1985, section 34 of Act 65 of 1986, section 29 of Act 85 of 1987, section 59 of Act 101 of 1990, section 53 of Act 113 of 1993, section 33 of Act 21 of 1994, section 51 of Act 28 of 1997, section 55 of Act 30 of 1998, section 55 of Act 30 of 2000, section 57 of Act 31 of 2005, section 29 of Act 9 of 2006, section 2 of Act 8 of 2007, section 68 of Act 35 of 2007, sections 1 and 48 of Act 3 of 2008, section 65 of Act 17 of 2009, section 104 of Act 24 of 2011, section 7 of Act 13 of 2012 and section 8 of Act 23 of 2013, section 6 of Act 42 of 2014, section 76 of Act 43 of 2014, section 7 of Act 13 of 2015, section 10 of Act 13 of 2016 and section 13 of Act 14 of 2017**

6. (1) Paragraph 9 of the Seventh Schedule to the Income Tax Act, 1962, is hereby amended by the substitution in subparagraph (3)(ii) for the words preceding the proviso of the following words:

“‘B’ represents an abatement equal to an amount of [R75 750] R78 150:”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2018 and applies in respect of years of assessment commencing on or after that date.

**Amendment of Schedule 1 to Act 91 of 1964, as amended by section 19 of Act 95 of 1965, section 15 of Act 57 of 1966, section 2 of Act 96 of 1967, section 22 of Act 85 of 1968, section 37 of Act 105 of 1969, section 9 of Act 98 of 1970, section 2 of Act 89 of 1971, section 12 of Act 103 of 1972, section 6 of Act 68 of 1973, section 3 of Act 64 of 1974, section 13 of Act 71 of 1975, section 13 of Act 105 of 1976, section 38 of Act 112 of 1977, section 3 of Act 114 of 1981, section 27 of Act 86 of 1982, section 10 of Act 89 of 1984, section 14 of Act 101 of 1985, section 11 of Act 69 of 1988, section 19 of Act 68 of 1989, section 40 of Act 59 of 1990, section 3 of Act 111 of 1991, section 15 of Act 105 of 1992, section 13 of Act 98 of 1993, section 12 of Act 19 of 1994, section 74 of Act 45 of 1995, section 8 of Act 44 of 1996, section 15 of Act 27 of 1997, section 75 of Act 30 of 1998, section 7 of Act 32 of 1999, section 64 of Act 30 of 2000, section 52 of Act 19 of 2001, section 53 of Act 30 of 2002, section 41 of Act 12 of 2003, section 155 of Act 45 of 2003, section 36 of Act 16 of 2004, section 14 of Act 9 of 2005, section 36 of Act 9 of 2006, section 76 of Act 8 of 2007, section 66 of Act 3 of 2008, section 88 of Act 17 of 2009, section 117 of Act 7 of 2010, section 127 of Act 24 of 2011, section 14 of Act 13 of 2012, section 9 of Act 23 of 2013, section 7 of Act 42 of 2014, section 8 of Act 13 of 2015, section 13 of Act 13 of 2016 and section 18 of Act 14 of 2017**

7. (1) Schedule No. 1 to the Customs and Excise Act, 1964 (Act No. 91 of 1964), is hereby amended as set out in Schedule II to this Act.

(2) Subject to section 58(1) of the Customs and Excise Act, 1964, the amendments set out in Schedule II to this Act are deemed to have come into operation on 21 February 2018.

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**Amendment of section 1 of Act 89 of 1991, as amended by section 21 of Act 136 of 1991, paragraph 1 of Government Notice 2695 of 8 November 1991, section 12 of Act 136 of 1992, section 1 of Act 61 of 1993, section 22 of Act 97 of 1993, section 9 of Act 20 of 1994, section 18 of Act 37 of 1996, section 23 of Act 27 of 1997, section 34 of Act 34 of 1997, section 81 of Act 53 of 1999, section 76 of Act 30 of 2000, section 64 of Act 59 of 2000, section 65 of Act 19 of 2001, section 148 of Act 60 of 2001, section 114 of Act 74 of 2002, section 47 of Act 12 of 2003, section 164 of Act 45 of 2003, section 43 of Act 16 of 2004, section 92 of Act 32 of 2004, section 8 of Act 1 of 2005, section 101 of Act 31 of 2005, section 40 of Act 9 of 2006, section 77 of Act 20 of 2006, sections 81 and 108 of Act 8 of 2007, section 104 of Act 35 of 2007, section 68 of Act 3 of 2008, section 104 of Act 60 of 2008, section 33 of Act 18 of 2009, section 119 of Act 7 of 2010, section 26 of Act 8 of 2010, section 129 of Act 24 of 2011, section 271 of Act 28 of 2011, read with item 108 of Schedule 1 to that Act, section 145 of Act 22 of 2012, section 165 of Act 31 of 2013, section 95 of Act 43 of 2014, section 128 of Act 25 of 2015, section 83 of Act 15 of 2016 and section 77 of Act 17 of 2017**

**8.** (1) Section 1 of the Value-Added Tax Act, 1991, is hereby amended—

- (a) by the substitution in subsection (1) in paragraph (b) of the definition of “enterprise” after subparagraph (vi) for the colon of a semi-colon and by the addition of the following subparagraph:

“(vii) the activities of an intermediary:”

- (b) by the insertion in subsection (1) after the definition of “insurance” of the following definition:

“**“intermediary”** means a person who facilitates the supply of electronic services supplied by the electronic services supplier and who is responsible for issuing the invoices and collecting payment for the supply;”

(2) Subsection (1) is deemed to have come into operation on 1 October 2018 and applies in respect of supplies made on or after that date.

**Amendment of section 7 of Act 89 of 1991, as amended by section 23 of Act 136 of 1991, section 14 of Act 136 of 1992, section 23 of Act 97 of 1993, section 33 of Act 37 of 1996, section 165 of Act 45 of 2003, section 94 of Act 32 of 2004, section 20 of Act 44 of 2014 and section 84 of Act 15 of 2016**

**9.** (1) Section 7 of the Value-Added Tax Act, 1991, is hereby amended—

- (a) by the substitution in subsection (1) for the words following paragraph (c) of the following words:

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“calculated at the rate of **[14] 15** per cent on the value of the supply concerned or the importation, as the case may be.”; and

(b) by the substitution in subsection (3) for paragraph (a) of the following paragraph:

(a) Where any goods manufactured in the Republic, being of a class or kind subject to excise duty or environmental levy under Part 2 or 3 of Schedule 1 to the Customs and Excise Act, have been supplied at a price which does not include such excise duty or environmental levy and tax has become payable in respect of the supply in terms of subsection (1)(a), value-added tax shall be levied and paid at the rate **[of 14 per cent]** specified in section 7(1) for the benefit of the National Revenue Fund on an amount equal to the amount of such excise duty or environmental levy which, subject to any rebate of such excise duty or environmental levy under the said Act, is paid.

(2) Subsection (1) is deemed to have come into operation on 1 April 2018.

**Amendment of section 8 of Act 89 of 1991, as amended by section 24 of Act 136 of 1991, paragraph 4 of Government Notice 2695 of 8 November 1991, section 15 of Act 136 of 1992, section 24 of Act 97 of 1993, section 11 of Act 20 of 1994, section 20 of Act 46 of 1996, section 25 of Act 27 of 1997, section 83 of Act 53 of 1999, section 67 of Act 19 of 2001, section 151 of Act 60 of 2001, section 166 of Act 45 of 2003, section 95 of Act 32 of 2004, section 102 of Act 31 of 2005, section 172 of Act 34 of 2005, section 42 of Act 9 of 2006, section 79 of Act 20 of 2006, section 27 of Act 36 of 2007, section 106 of Act 60 of 2008, section 91 of Act 17 of 2009, section 120 of Act 7 of 2010, section 131 of Act 24 of 2011, section 146 of Act 22 of 2012, section 166 of Act 31 of 2013, section 21 of Act 44 of 2014, section 129 of Act 25 of 2015 and section 78 of Act 17 of 2017**

**10.** (1) Section 8 of the Value-Added Tax Act, 1991, is hereby amended by the substitution for subsection (27) of the following subsection:

“(27) For the purposes of this Act, where any amount received in respect of a taxable supply of goods or services at the rate **[of 14 per cent]** specified in section 7(1) exceeds the consideration charged for that supply, and such excess amount has not been refunded within four months of receipt thereof, that excess amount shall be deemed to be consideration for a supply of services performed by the vendor in the course or furtherance of that vendor’s enterprise on the last day of the tax period during which that four month period ends.”.

(2) Subsection (1) is deemed to have come into operation on 1 April 2018.

**Amendment of section 23 of Act 89 of 1991, as amended by section 20 of Act 20 of 1994, section 37 of Act 27 of 1997, section 92 of Act 53 of 1999, section 178 of Act 45 of 2003, section 9 of Act 10 of 2005, section 36 of Act 32 of 2005, section 14 of Act 10 of 2006, section 24 of Act 4 of 2008, section 113 of Act 60 of 2008, section 93 of Act 17 of 2009, section 23 of Act 7 of 2010, section 141 of Act 24 of 2011 and section 178 of Act 31 of 2013**

**11.** (1) Section 23 of the Value-Added Tax Act, 1991, is hereby amended by the substitution for subsection (1A) of the following subsection:

“(1A) Every person who carries on any enterprise as contemplated in paragraph (b)(vi) or (vii) of the definition of “enterprise” in section 1 and is not registered becomes liable to be registered at the end of any month where the total value of taxable supplies made by that person has exceeded R50 000 in any consecutive 12-month period.”.

(2) Subsection (1) is deemed to have come into operation on 1 October 2018 and applies in respect of supplies made on or after that date.

**Amendment of section 54 of Act 89 of 1991, as amended by section 40 of Act 136 of 1991, section 34 of Act 136 of 1992, section 25 of Act 20 of 1994, section 46 of Act 27 of 1997, section 100 of Act 53 of 1999, section 51 of Act 16 of 2004 and section 34 of Act 44 of 2014**

**12.** (1) Section 54 of the Value-Added Tax Act, 1991, is hereby amended by the insertion after subsection (2A) of the following subsection:

“(2B) For the purposes of this Act, where electronic services are supplied by an intermediary, who is acting on behalf of another person who is the principal for the purposes of that supply, and—

(i) the intermediary is a vendor;

(ii) the principal is not a resident of the Republic and is not a registered vendor; and

(iii) the electronic services are supplied or to be supplied by the principal to a person in the Republic,

that supply shall be deemed to be made by such intermediary.”.

(2) Subsection (1) is deemed to have come into operation on 1 October 2018 and applies in respect of supplies made on or after that date.



*Draft***Substitution of section 66 of Act 89 of 1991, as substituted by section 175 of Act 60 of 2001**

**13.** (1) The following section is hereby substituted for section 66 of the Value-Added Tax Act, 1991:

**“Rounding-off of [the] tax**

**66. [An] In determining an amount of tax [determinable] under this Act [must be calculated by]—**

(a) where the tax fraction is expressed as—

- (i) a proportion, [rounding it off to the fifth decimal place] that proportion may not be rounded off to fewer than five decimal places namely 0,13043; or
- (ii) a percentage, [rounding it off to the third decimal place] that percentage may not be rounded off to fewer than three decimal places, namely 13,043; and

(b) [rounding] fractions of—

- (i) less than half a cent, must be rounded down to the last cent; or
- (ii) half a cent or more, must be rounded up to the next cent.”.

(2) Subsection (1) is deemed to have come into operation on 1 April 2018.

**Amendment of Schedule 2 to Act 89 of 1991, as amended by section 49 of Act 136 of 1991, paragraph 25 of Government Notice 2695 of 8 November 1991, section 44 of Act 136 of 1992, section 45 of Act 97 of 1993, section 33 of Act 20 of 1994, section 104 of Act 30 of 1998, section 73 of Act 19 of 2001, section 56 of Act 16 of 2004, section 108 of Act 43 of 2014 and section 87 of Act 17 of 2017**

**14.** (1) Schedule 2 to the Value-Added Tax Act, 1991, is hereby amended by the substitution in Part B for Item 1 of the following Item:

“Item 1 Brown bread and whole wheat brown bread as defined respectively in Regulation 1 of the Regulations in terms of Government Notice No. R.405 published in Government *Gazette* No.40828 of 5 May 2017;”.

(2) Subsection (1) is deemed to have come into operation on 1 April 2018.

**Short title**

**15.** This Act is called the Rates and Monetary Amounts and Amendment of Revenue Laws Act, 2018.

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## Schedule I

*(Section 2)*

### RATES OF NORMAL TAX

1. The rate of tax referred to in section 3(1) to be levied in respect of the taxable income (excluding any retirement fund lump sum benefit, retirement fund lump sum withdrawal benefit or severance benefit) of any natural person, deceased estate, insolvent estate or special trust in respect of any year of assessment commencing on or after 1 March 2018 is set out in the table below:

<b>Taxable income</b>	<b>Rate of tax</b>
Not exceeding R195 850	18 per cent of taxable income
Exceeding R195 850 but not exceeding R305 850	R35 253 plus 26 per cent of amount by which taxable income exceeds R195 850
Exceeding R305 850 but not exceeding R423 300	R63 853 plus 31 per cent of amount by which taxable income exceeds R305 850
Exceeding R423 300 but not exceeding R555 600	R100 263 plus 36 per cent of amount by which taxable income exceeds R423 300
Exceeding R555 600 but not exceeding R708 310	R147 891 plus 39 per cent of amount by which taxable income exceeds R555 600
Exceeding R708 310 but not exceeding R1500 000	R207 448 plus 41 per cent of amount by which taxable income exceeds R708 310
Exceeding R1500 000	R532 041 plus 45 per cent of amount by which taxable income exceeds R1 500 000

2. The rate of tax referred to in section 3(1) to be levied in respect of the taxable income of a trust (other than a special trust or a public benefit organisation, recreational club or small business funding entity referred to in paragraph 4) in respect of any year of assessment commencing on or after 1 March 2018 is 45 per cent.

3. The rate of tax referred to in section 3(1) to be levied in respect of the taxable income of a company (other than a public benefit organisation, recreational club or small business funding entity referred to in paragraph 4 or a small business corporation referred to in paragraph 5) in respect of any year of assessment ending on or after 1 April 2018 is, subject to the provisions of paragraph 10, as follows:

- (a) 28 per cent of the taxable income of any company (excluding taxable income referred to in subparagraphs (b), (c) and (d));
- (b) in respect of the taxable income derived by any company from mining for gold on any gold mine with the exclusion of so much of the taxable income as the Commissioner determines to be attributable to the inclusion in the gross income of any amount referred to in paragraph (j) of the definition of “gross income” in section 1 of the Income Tax Act, 1962, but after the set-off of any assessed loss in terms of section 20(1) of that Act, a percentage determined in accordance with the formula:

$$y = 34 - \frac{170}{x}$$

in which formula  $y$  represents such percentage and  $x$  the ratio expressed as a percentage which the taxable income so derived (with the said exclusion, but before

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- the set-off of any assessed loss or deduction which is not attributable to the mining for gold from the said mine) bears to the income so derived (with the said exclusion);
- (c) in respect of the taxable income of any company, the sole or principal business of which in the Republic is, or has been, mining for gold and the determination of the taxable income of which for the period assessed does not result in an assessed loss, which the Commissioner determines to be attributable to the inclusion in its gross income of any amount referred to in paragraph (j) of the definition of “gross income” in section 1 of the Income Tax Act, 1962, a rate equal to the average rate of normal tax or 28 per cent, whichever is higher: Provided that for the purposes of this subparagraph, the average rate of normal tax shall be determined by dividing the total normal tax (excluding the tax determined in accordance with this subparagraph for the period assessed) paid by the company in respect of its aggregate taxable income from mining for gold on any gold mine for the period from which that company commenced its gold mining operations on that gold mine to the end of the period assessed, by the number of rands contained in the said aggregate taxable income; and
- (d) in respect of the taxable income derived by any company from carrying on long-term insurance business in respect of its—
- (i) individual policyholder fund, 30 per cent; and
  - (ii) company policyholder fund, risk policy fund and corporate fund, 28 per cent.

4. The rate of tax referred to in section 3(1) to be levied in respect of the taxable income of any public benefit organisation that has been approved by the Commissioner in terms of section 30(3) of the Income Tax Act, 1962, or any recreational club that has been approved by the Commissioner in terms of section 30A(2) of that Act or any small business funding entity that has been approved by the Commissioner in terms of section 30C(1) is 28 per cent—

- (a) in the case of an organisation, club or small business funding entity that is a company, in respect of any year of assessment ending on or after 1 April 2018; or
- (b) in the case of an organisation or small business funding entity that is a trust, in respect of any year of assessment commencing on or after 1 March 2018.

5. The rate of tax referred to in section 3(1) to be levied in respect of the taxable income of any company which qualifies as a small business corporation as defined in section 12E of the Income Tax Act, 1962, in respect of any year of assessment ending on or after 1 April 2018, subject to paragraph 7, is set out in the table below:

<b>Taxable income</b>	<b>Rate of tax</b>
Not exceeding R78 150	0 per cent of taxable income
Exceeding R78 150 but not exceeding R365 000	7 per cent of amount by which taxable income exceeds R78 150
Exceeding R365 000 but not exceeding R550 000	R20 080 plus 21 per cent of amount by which taxable income exceeds R365 000
Exceeding R550 000	R58 930 plus 28 per cent of amount by which taxable income exceeds R550 000

6. The rate of tax referred to in section 3(1) to be levied on taxable income attributable to income derived by a qualifying company within a special economic zone as contemplated in section 12R of the Income Tax Act, 1962, subject to paragraph 7, is 15 cents on each Rand of taxable income in respect of any year of assessment ending on or after 1 April 2018.

7. If a company is subject to both paragraphs 5 and 6 in respect of determining the rate of tax to be levied on an amount of taxable income of a company, the tax payable in respect of

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that amount of taxable income is the lesser of the tax determined under paragraph 5 and paragraph 6 in respect of that amount of taxable income.

8. The rate of tax referred to in section 3(2) to be levied in respect of the taxable turnover of a person that is a registered micro business as defined in paragraph 1 of the Sixth Schedule to the Income Tax Act, 1962, in respect of any year of assessment commencing on or after 1 March 2018 is set out in the table below:

<b>Taxable turnover</b>	<b>Rate of tax</b>
Not exceeding R335 000	0 per cent of taxable turnover
Exceeding R335 000 but not exceeding R500 000	1 per cent of amount by which taxable turnover exceeds R335 000
Exceeding R500 000 but not exceeding R750 000	R1 650 plus 2 per cent of amount by which taxable turnover exceeds R500 000
Exceeding R750 000	R6 650 plus 3 per cent of amount by which taxable turnover exceeds R750 000

9. (a) (i) If a retirement fund lump sum withdrawal benefit accrues to a person in any year of assessment commencing on or after 1 March 2018, the rate of tax referred to in section 3(1) to be levied on that person in respect of taxable income comprising the aggregate of—

- (aa) that retirement fund lump sum withdrawal benefit;
- (bb) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in subitem (aa);
- (cc) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in subitem (aa); and
- (dd) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in subitem (aa),

is set out in the table below:

<b>Taxable income from lump sum benefits</b>	<b>Rate of tax</b>
Not exceeding R25 000	0 per cent of taxable income
Exceeding R25 000 but not exceeding R660 000	18 per cent of amount by which taxable income exceeds R25 000
Exceeding R660 000 but not exceeding R990 000	R114 300 plus 27 per cent of amount by which taxable income exceeds R660 000
Exceeding R990 000	R203 400 plus 36 per cent of amount by which taxable income exceeds R990 000

(ii) The amount of tax levied in terms of item (i) must be reduced by an amount equal to the tax that would be leviable on the person in terms of that item in respect of taxable income comprising the aggregate of—

- (aa) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in item (i)(aa);
- (bb) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in item (i)(aa); and

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(cc) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in item (i)(aa).

(b) (i) If a retirement fund lump sum benefit accrues to a person in any year of assessment commencing on or after 1 March 2018, the rate of tax referred to in section 3(1) to be levied on that person in respect of taxable income comprising the aggregate of—

(aa) that retirement fund lump sum benefit;

(bb) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the retirement fund lump sum benefit contemplated in subitem (aa);

(cc) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the retirement fund lump sum benefit contemplated in subitem (aa); and

(dd) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the retirement fund lump sum benefit contemplated in subitem (aa),

is set out in the table below:

<b>Taxable income from lump sum benefits</b>	<b>Rate of tax</b>
Not exceeding R500 000	0 per cent of taxable income
Exceeding R500 000 but not exceeding R700 000	18 per cent of amount by which taxable income exceeds R500 000
Exceeding R700 000 but not exceeding R1 050 000	R36 000 plus 27 per cent of amount by which taxable income exceeds R700 000
Exceeding R1 050 000	R130 500 plus 36 per cent of amount by which taxable income exceeds R1 050 000

(ii) The amount of tax levied in terms of item (i) must be reduced by an amount equal to the tax that would be leviable on the person in terms of that item in respect of taxable income comprising the aggregate of—

(aa) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the retirement fund lump sum benefit contemplated in item (i)(aa);

(bb) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the retirement fund lump sum benefit contemplated in item (i)(aa); and

(cc) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the retirement fund lump sum benefit contemplated in item (i)(aa).

(c) (i) If a severance benefit accrues to a person in any year of assessment commencing on or after 1 March 2018, the rate of tax referred to in section 3(1) to be levied on that person in respect of taxable income comprising the aggregate of—

(aa) that severance benefit;

(bb) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the severance benefit contemplated in subitem (aa);

(cc) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the severance benefit contemplated in subitem (aa); and

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(dd) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the severance benefit contemplated in subitem (aa),  
is set out in the table below:

<b>Taxable income from lump sum benefits</b>	<b>Rate of tax</b>
Not exceeding R500 000	0 per cent of taxable income
Exceeding R500 000 but not exceeding R700 000	18 per cent of amount by which taxable income exceeds R500 000
Exceeding R700 000 but not exceeding R1 050 000	R36 000 plus 27 per cent of amount by which taxable income exceeds R700 000
Exceeding R1 050 000	R130 500 plus 36 per cent of amount by which taxable income exceeds R1 050 000

(ii) The amount of tax levied in terms of item (i) must be reduced by an amount equal to the tax that would be leviable on the person in terms of that item in respect of taxable income comprising the aggregate of—

- (aa) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the severance benefit contemplated in item (i)(aa);
- (bb) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the severance benefit contemplated in item (i)(aa); and
- (cc) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the severance benefit contemplated in item (i)(aa).

**10.** The rates of tax set out in paragraphs 1, 2, 3, 4, 5, 6, 7 and 9 are the rates required to be fixed by Parliament in accordance with the provisions of section 5(2) of the Income Tax Act, 1962.

**11.** The rate of tax set out in paragraph 8 is the rate required to be fixed by Parliament in accordance with the provisions of section 48B(1) of the Income Tax Act, 1962.

**12.** For the purposes of this Schedule, income derived from mining for gold includes any income derived from silver, osmiridium, uranium, pyrites or other minerals which may be won in the course of mining for gold and any other income which results directly from mining for gold.

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**Schedule II**

(Section 7)

**AMENDMENT OF PART 2A OF SCHEDULE NO. 1 TO CUSTOMS AND EXCISE ACT, 1964**

<b>Tariff Item</b>	<b>Tariff Subheading</b>	<b>Article Description</b>	<b>2018/19 Rate of Excise Duty</b>
<b>104.00</b>	<b>PREPARED FOODSTUFFS; BEVERAGES, SPIRITS AND VINEGAR; TOBACCO</b>		
<b>104.01</b>	<b>19.01</b>	<b>Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40 per cent by mass of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of headings 04.01 to 04.04, not containing cocoa or containing less than 5 per cent by mass of cocoa calculated on a totally defatted basis not elsewhere specified or included:</b>	
104.01.10	1901.90.20	Traditional African beer powder as defined in Additional Note 1 to Chapter 19	34,7c/kg
<b>104.10</b>	<b>22.03</b>	<b>Beer made from malt:</b>	
104.10.10	2203.00.05	Traditional African beer as defined in Additional Note 1 to Chapter 22	7,82c/li
104.10.20	2203.00.90	Other	R95.03/li aa
<b>104.15</b>	<b>22.04</b>	<b>Wine of fresh grapes, including fortified wines; grape must (excluding that of heading 20.09):</b>	
104.15.01	2204.10	Sparkling wine	R12.43/li
<b>104.15</b>	<b>2204.21</b>	<b>In containers holding 2 li or less:</b>	
<b>104.15</b>	<b>2204.21.4</b>	<b>Unfortified wine:</b>	
104.15.03	2204.21.41	With an alcoholic strength of at least 4.5 per cent by volume but not exceeding 16.5 per cent by vol.	R3.91/li
104.15.04	2204.21.42	Other	R190.08/li aa
<b>104.15</b>	<b>2204.21.5</b>	<b>Fortified wine:</b>	
104.15.05	2204.21.51	With an alcoholic strength of at least 15 per cent by volume but not exceeding 22 per cent by vol.	R6.54/li
104.15.06	2204.21.52	Other	R190.08/li aa
<b>104.15</b>	<b>2204.22</b>	<b>In containers holding more than 2 li but not more than 10 li:</b>	
<b>104.15</b>	<b>2204.22.4</b>	<b>Unfortified wine:</b>	
104.15.13	2204.22.41	With an alcoholic strength of at least 4.5 per cent by volume but not exceeding 16.5 per cent by vol.	R3.91/li
104.15.15	2204.22.42	Other	R190.08/li aa
<b>104.15</b>	<b>2204.22.5</b>	<b>Fortified wine:</b>	
104.15.17	2204.22.51	With an alcoholic strength of at least 15 per cent by volume but not exceeding 22 per cent by vol.	R6.54/li
104.15.19	2204.22.52	Other	R190.08/li aa
<b>104.15</b>	<b>2204.29</b>	<b>Other:</b>	
<b>104.15</b>	<b>2204.29.4</b>	<b>Unfortified wine:</b>	
104.15.21	2204.29.41	With an alcoholic strength of at least 4.5 per cent by volume but not exceeding 16.5 per cent by vol.	R3.91/li
104.15.23	2204.29.42	Other	R190.08/li aa
<b>104.15</b>	<b>2204.29.5</b>	<b>Fortified wine:</b>	
104.15.25	2204.29.51	With an alcoholic strength of at least 15 per cent by volume but not exceeding 22 per cent by vol.	R6.54/li
104.15.27	2204.29.52	Other	R190.08/li aa
<b>104.16</b>	<b>22.05</b>	<b>Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances:</b>	



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<b>Tariff Item</b>	<b>Tariff Subheading</b>	<b>Article Description</b>	<b>2018/19 Rate of Excise Duty</b>
<b>104.16</b>	<b>2205.10</b>	<b>In containers holding 2 li or less:</b>	
104.16.01	2205.10.10	Sparkling	R12.43/li
<b>104.16</b>	<b>2205.10.2</b>	<b>Unfortified:</b>	
104.16.03	2205.10.21	With an alcoholic strength of at least 4.5 per cent by volume but not exceeding 15 per cent by vol.	R3.91/li
104.16.04	2205.10.22	Other	R190.08/li aa
<b>104.16</b>	<b>2205.10.3</b>	<b>Fortified:</b>	
104.16.05	2205.10.31	With an alcoholic strength of at least 15 per cent by volume but not exceeding 22 per cent by vol.	R6.54/li
104.16.06	2205.10.32	Other	R190.08/li aa
<b>104.16</b>	<b>2205.90</b>	<b>Other:</b>	
<b>104.16</b>	<b>2205.90.2</b>	<b>Unfortified:</b>	
104.16.09	2205.90.21	With an alcoholic strength of at least 4.5 per cent by volume but not exceeding 15 per cent by vol.	R3.91/li
104.16.10	2205.90.22	Other	R190.08/li aa
<b>104.16</b>	<b>2205.90.3</b>	<b>Fortified:</b>	
104.16.11	2205.90.31	With an alcoholic strength of at least 15 per cent by volume but not exceeding 22 per cent by vol.	R6.54/li
104.16.12	2205.90.32	Other	R190.08/li aa
<b>104.17</b>	<b>22.06</b>	<b>Other fermented beverages (for example, cider, perry, mead, saké); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included:</b>	
104.17.03	2206.00.05	Sparkling fermented fruit or mead beverages; mixtures of sparkling fermented beverages derived from the fermentation of fruit or honey; mixtures of sparkling fermented fruit or mead beverages and non-alcoholic beverages	R12.43/li
104.17.05	2206.00.15	Traditional African beer as defined in Additional Note 1 to Chapter 22	R7,82c/li
104.17.07	2206.00.17	Other fermented beverages, unfortified, with an alcoholic strength of less than 2.5 per cent by volume	R95.03/li aa
104.17.09	2206.00.19	Other fermented beverages of non-malted cereal grains, unfortified, with an alcoholic strength of at least 2.5 per cent by volume but not exceeding 9 per cent by vol.	R95.03/li aa
104.17.11	2206.00.21	Other mixtures of fermented beverages of non-malted cereal grains and non-alcoholic beverages, unfortified, with an alcoholic strength of at least 2.5 per cent by volume but not exceeding 9 per cent by vol.	R95.03/li aa
104.17.15	2206.00.81	Other fermented apple or pear beverages, unfortified, with an alcoholic strength of at least 2.5 per cent by volume but not exceeding 15 per cent by vol.	R95.03/li aa
104.17.16	2206.00.82	Other fermented fruit beverages and mead beverages, including mixtures of fermented beverages derived from the fermentation of fruit or honey, unfortified, with an alcoholic strength of at least 2.5 per cent by volume but not exceeding 15 per cent by vol.	R95.03/li aa
104.17.17	2206.00.83	Other fermented apple or pear beverages, fortified, with an alcoholic strength of at least 15 per cent by volume but not exceeding 23 per cent by vol.	R76.08/li aa
104.17.21	2206.00.84	Other fermented fruit beverages and mead beverages including mixtures of fermented beverages derived from the fermentation of fruit or honey, fortified, with an alcoholic strength of at least 15 per cent by volume but not exceeding 23 per cent by vol.	R76.08/li aa
104.17.22	2206.00.85	Other mixtures of fermented fruit or mead beverages and non-alcoholic beverages, unfortified, with an alcoholic strength of at	R95.03/li aa

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Tariff Item	Tariff Subheading	Article Description	2018/19 Rate of Excise Duty
		least 2.5 per cent by volume but not exceeding 15 per cent by vol.	
104.17.25	2206.00.87	Other mixtures of fermented fruit or mead beverages and non-alcoholic beverages, fortified, with an alcoholic strength of at least 15 per cent by volume but not exceeding 23 per cent by vol.	R76.08/li aa
104.17.90	2206.00.90	Other	R190.08/li aa
<b>104.21</b>	<b>22.07</b>	<b>Undenatured ethyl alcohol of an alcoholic strength by volume of 80 per cent by vol. or higher; ethyl alcohol and other spirits, denatured, of any strength:</b>	
104.21.01	2207.10	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 per cent by vol. or higher	R190.08/li aa
104.21.03	2207.20	Ethyl alcohol and other spirits, denatured, of any strength	R190.08/li aa
<b>104.23</b>	<b>22.08</b>	<b>Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 per cent vol.; spirits, liqueurs and other spirituous beverages:</b>	
<b>104.23</b>	<b>2208.20</b>	<b>Spirits obtained by distilling grape wine or grape marc:</b>	
<b>104.23</b>	<b>2208.20.1</b>	<b>In containers holding 2 li or less:</b>	
104.23.01	2208.20.11	Brandy as defined in Additional Note 7 to Chapter 22	R171.07/li aa
104.23.02	2208.20.19	Other	R190.08/li aa
<b>104.23</b>	<b>2208.20.9</b>	<b>Other:</b>	
104.23.03	2208.20.91	Brandy as defined in Additional Note 7 to Chapter 22	R171.07/li aa
104.23.04	2208.20.99	Other	R190.08/li aa
<b>104.23</b>	<b>2208.30</b>	<b>Whiskies:</b>	
104.23.05	2208.30.10	In containers holding 2 li or less	R190.08/li aa
104.23.07	2208.30.90	Other	R190.08/li aa
<b>104.23</b>	<b>2208.40</b>	<b>Rum and other spirits obtained by distilling fermented sugarcane products:</b>	
104.23.09	2208.40.10	In containers holding 2 li or less	R190.08/li aa
104.23.11	2208.40.90	Other	R190.08/li aa
<b>104.23</b>	<b>2208.50</b>	<b>Gin and Geneva:</b>	
104.23.13	2208.50.10	In containers holding 2 li or less	R190.08/li aa
104.23.15	2208.50.90	Other	R190.08/li aa
<b>104.23</b>	<b>2208.60</b>	<b>Vodka:</b>	
104.23.17	2208.60.10	In containers holding 2 li or less	R190.08/li aa
104.23.19	2208.60.90	Other	R190.08/li aa
<b>104.23</b>	<b>2208.70</b>	<b>Liqueurs and cordials:</b>	
<b>104.23</b>	<b>2208.70.2</b>	<b>In containers holding 2 li or less:</b>	
104.23.21	2208.70.21	With an alcoholic strength by volume exceeding 15 per cent by vol. but not exceeding 23 per cent by vol.	R76.08/li aa
104.23.22	2208.70.22	Other	R190.08/li aa
<b>104.23</b>	<b>2208.70.9</b>	<b>Other:</b>	
104.23.23	2208.70.91	With an alcoholic strength by volume exceeding 15 per cent by vol. but not exceeding 23 per cent by vol.	R76.08/li aa
104.23.24	2208.70.92	Other	R190.08/li aa
<b>104.23</b>	<b>2208.90</b>	<b>Other:</b>	
<b>104.23</b>	<b>2208.90.2</b>	<b>In containers holding 2 li or less:</b>	
104.23.25	2208.90.21	With an alcoholic strength by volume exceeding 15 per cent by vol. but not exceeding 23 per cent by vol.	R76.08/li aa
104.23.26	2208.90.22	Other	R190.08/li aa
<b>104.23</b>	<b>2208.90.9</b>	<b>Other:</b>	
104.23.27	2208.90.91	With an alcoholic strength by volume exceeding 15 per cent by vol. but not exceeding 23 per cent by vol.	R76.08/li aa
104.23.28	2208.90.92	Other	R190.08/li aa
<b>104.30</b>	<b>24.02</b>	<b>Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes:</b>	
<b>104.30</b>	<b>2402.10</b>	<b>Cigars, cheroots and cigarillos containing tobacco:</b>	
104.30.01	2402.10.10	Imported from Switzerland	R3 578.94/kg net
104.30.03	2402.10.90	Other	R3 578.94/kg net

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<b>Tariff Item</b>	<b>Tariff Subheading</b>	<b>Article Description</b>	<b>2018/19 Rate of Excise Duty</b>
<b>104.30</b>	<b>2402.20</b>	<b>Cigarettes containing tobacco:</b>	
104.30.05	2402.20.10	Imported from Switzerland	R7.76/10 cigarettes
104.30.07	2402.20.90	Other	R7.76/10 cigarettes
<b>104.30</b>	<b>2402.90.1</b>	<b>Cigars, cheroots and cigarillos of tobacco substitutes:</b>	
104.30.09	2402.90.12	Imported from Switzerland	R3 578.94/kg net
104.30.11	2402.90.14	Other	R3 578.94/kg net
<b>104.30</b>	<b>2402.90.2</b>	<b>Cigarettes of tobacco substitutes:</b>	
104.30.13	2402.90.22	Imported from Switzerland	R7.76/10 cigarettes
104.30.15	2402.90.24	Other	R7.76/10 cigarettes
<b>104.35</b>	<b>24.03</b>	<b>Other manufactured tobacco and manufactured tobacco substitutes; “homogenised” or “reconstituted” tobacco; tobacco extracts and essences:</b>	
<b>104.35</b>	<b>2403.1</b>	<b>Smoking tobacco, whether or not containing tobacco substitutes in any proportions:</b>	
104.35.01	2403.11	Water pipe tobacco specified in Subheading Note 1 to Chapter 24	R197.73/kg net
<b>104.35</b>	<b>2403.19</b>	<b>Other:</b>	
104.35.02	2403.19.10	Pipe tobacco in immediate packings of a content of less than 5 kg	R197.73/kg net
104.35.03	2403.19.20	Other pipe tobacco	R197.73/kg net
104.35.05	2403.19.30	Cigarette tobacco	R348.77/kg
<b>104.35</b>	<b>2403.99</b>	<b>Other:</b>	
104.35.07	2403.99.30	Other cigarette tobacco substitutes	R348.77/kg
104.35.09	2403.99.40	Other pipe tobacco substitutes	R197.73/kg net