

The Rates and Monetary Amounts and Amendment of Revenue Laws Bill, 2013, is due to be introduced in Parliament shortly by the Minister of Finance. The Bill proposes to enact changes to tax rates and excises and monetary limits. These changes were announced by the Minister of Finance in his Budget Speech to Parliament on 27 February 2013 and were published in the Budget Review 2013.

The text of the proposed Bill is published for public information.

REPUBLIC OF SOUTH AFRICA

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# **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)

**[B —2013]**

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## 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.

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# BILL

**To fix the rates of normal tax; to amend the Income Tax Act, 1962, so as to amend rates and monetary amounts; to amend the Customs and Excise Act, 1964, so as to amend rates of duty in Schedule 1; and to provide for matters connected therewith.**

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

### Interpretation

**1.** For the purposes of sections 2, 3, 4, 5, 6, 7 and 8 and Appendix I to this Act any word or expression to which a meaning has been assigned in the Income Tax Act, 1962 (Act No. 58 of 1962), bears the meaning so assigned unless the context otherwise indicates. 5

### 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 and 7 of Appendix I to this Act. 10

(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 6 of Appendix I to this Act.

(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 the year of assessment commencing on or after 1 March 2013; 15

(b) any company for any year of assessment ending during the period of 12 months ending on 31 March 2014; and

(c) any trust (other than a special trust) for any year of assessment commencing on 1 March 2013 or ending on 28 February 2014. 20

(4) The rate of tax referred to in subsection (2) applies in respect of the taxable turnover of a person that was 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 2013.

Amendment of section 1 of Act 58 of 1962, as amended by section 3 of Act 90 of 1962, section 1 of Act 6 of 1963, section 4 of Act 72 of 1963, section 4 of Act 90 of 1964, section 5 of Act 88 of 1965, section 5 of Act 55 of 1966, section 5 of Act 76 of 1968, section 6 of Act 89 of 1969, section 6 of Act 52 of 1970, section 4 of Act 88 of 1971, section 4 of Act 90 of 1972, section 4 of Act 65 of 1973, section 4 of Act 85 of 1974, section 4 of Act 69 of 1975, section 4 of Act 103 of 1976, section 4 of Act 113 of 1977, section 3 of Act 101 of 1978, section 3 of Act 104 of 1979, section 2 of Act 104 of 1980, section 2 of Act 96 of 1981, section 3 of Act 91 of 1982, section 2 of Act 94 of 1983, section 1 of Act 30 of 1984, section 2 of Act 121 of 1984, section 2 of Act 96 of 1985, section 2 of Act 65 of 1986, section 1 of Act 108 of 1986, section 2 of Act 85 of 1987, section 2 of Act 90 of 1988, section 1 of Act 99 of 1988, Government Notice R780 of 1989, section 2 of Act 70 of 1989, section 2 of Act 101 of 1990, section 2 of Act 129 of 1991, section 2 of Act 141 of 1992, section 2 of Act 113 of 1993, section 2 of Act 21 of 1994, Government Notice 46 of 1994, section 2 of Act 21 of 1995, section 2 of Act 36 of 1996, section 2 of Act 28 of 1997, section 19 of Act 30 of 1998, Government Notice 1503 of 1998, section 10 of Act 53 of 1999, section 13 of Act 30 of 2000, section 2 of Act 59 of 2000, section 5 of Act 5 of 2001, section 3 of Act 19 of 2001, section 17 of Act 60 of 2001, section 9 of Act 30 of 2002, section 6 of Act 74 of 2002, section 33 of Act 12 of 2003, section 12 of Act 45 of 2003, section 3 of Act 16 of 2004, section 3 of Act 32 of 2004, section 3 of Act 32 of 2005, section 19 of Act 9 of 2006, section 3 of Act 20 of 2006, section 3 of Act 8 of 2007, section 5 of Act 35 of 2007, section 2 of Act 3 of 2008, section 4 of Act 60 of 2008, section 7 of Act 17 of 2009, section 6 of Act 7 of 2010, section 7 of Act 24 of 2011, section 271 of Act 28 of 2011, read with item 23 of Schedule 1 to that Act, and section 2 of Act 22 of 2012

3. (1) Section 1 of the Income Tax Act, 1962, is hereby amended— 25

(a) by the substitution in paragraph (a) of the definition of “low-cost residential unit” for subparagraph (i) of the following subparagraph:

“(i) the cost of the apartment does not exceed [R250 000] R350 000; and”; and

(b) by the substitution in paragraph (b) of the definition of “low-cost residential unit” for subparagraph (i) of the following subparagraph: 30

“(i) the cost of the building does not exceed [R200 000] R300 000; and”.

(2) Subsection (1) is deemed to have come into operation on 1 April 2013 and applies in respect of a unit disposed of on or after that date. 35

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 and section 2 of Act 13 of 2012 50

4. (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 [R11 440] R12 080;

(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 [R6 390] R6 750; and 55

(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 130] R2 250.”. 60

(2) Subsection (1) is deemed to have come into operation on 1 March 2013 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 and section 6 of Act 22 of 2012**

5. (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) **[R230]** R242, in respect of benefits to the taxpayer;
- (ii) **[R460]** R484, in respect of benefits to the taxpayer and one dependant; or
- (iii) **[R460]** R484, in respect of benefits to the taxpayer and one dependant, plus **[R154]** R162, in respect of benefits to each additional dependant.”

(2) Subsection (1) is deemed to have come into operation on 1 March 2013 and applies in respect of years of assessment commencing on or after that date.

**Amendment of section 10 of Act 58 of 1962, as amended by section 8 of Act 90 of 1962, section 7 of Act 72 of 1963, section 8 of Act 90 of 1964, section 10 of Act 88 of 1965, section 11 of Act 55 of 1966, section 10 of Act 95 of 1967, section 8 of Act 76 of 1968, section 13 of Act 89 of 1969, section 9 of Act 52 of 1970, section 9 of Act 88 of 1971, section 7 of Act 90 of 1972, section 7 of Act 65 of 1973, section 10 of Act 85 of 1974, section 8 of Act 69 of 1975, section 9 of Act 103 of 1976, section 8 of Act 113 of 1977, section 4 of Act 101 of 1978, section 7 of Act 104 of 1979, section 7 of Act 104 of 1980, section 8 of Act 96 of 1981, section 6 of Act 91 of 1982, section 9 of Act 94 of 1983, section 10 of Act 121 of 1984, section 6 of Act 96 of 1985, section 7 of Act 65 of 1986, section 3 of Act 108 of 1986, section 9 of Act 85 of 1987, section 7 of Act 90 of 1988, section 36 of Act 9 of 1989, section 7 of Act 70 of 1989, section 10 of Act 101 of 1990, section 12 of Act 129 of 1991, section 10 of Act 141 of 1992, section 7 of Act 113 of 1993, section 4 of Act 140 of 1993, section 9 of Act 21 of 1994, section 10 of Act 21 of 1995, section 8 of Act 36 of 1996, section 9 of Act 46 of 1996, section 1 of Act 49 of 1996, section 10 of Act 28 of 1997, section 29 of Act 30 of 1998, section 18 of Act 53 of 1999, section 21 of Act 30 of 2000, section 13 of Act 59 of 2000, sections 9 and 78 of Act 19 of 2001, section 26 of Act 60 of 2001, section 13 of Act 30 of 2002, section 18 of Act 74 of 2002, section 36 of Act 12 of 2003, section 26 of Act 45 of 2003, section 8 of Act 16 of 2004, section 14 of Act 32 of 2004, section 5 of Act 9 of 2005, section 16 of Act 31 of 2005, section 23 of Act 9 of 2006, section 10 of Act 20 of 2006, section 10 of Act 8 of 2007, section 2 of Act 9 of 2007, section 16 of Act 35 of 2007, section 9 of Act 3 of 2008, section 16 of Act 60 of 2008, section 13 of Act 17 of 2009, section 18 of Act 7 of 2010, section 28 of Act 24 of 2011 and section 19 of Act 22 of 2012**

6. (1) Section 10 of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (1)(i) for subparagraphs (i) and (ii) of the following subparagraphs, respectively:

- “(i) in the case of any person who was or, had he or she lived, would have been at least 65 years of age on the last day of the year of assessment, the amount of **[R33 000]** R34 500; or
- (ii) in any other case, the amount of **[R22 800]** R23 800;”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2013 and applies in respect of years of assessment commencing on or after that date.

**Amendment of section 12E of Act 58 of 1962, as amended by section 12 of Act 19 of 2001, section 17 of Act 30 of 2002, section 21 of Act 74 of 2002, section 37 of Act 12 of 2003, section 31 of Act 45 of 2003, section 9 of Act 9 of 2005, section 21 of Act 31 of 2005, section 24 of Act 9 of 2006, section 14 of Act 20 of 2006, section 15 of Act 8 of 2007, section 25 of Act 35 of 2007, section 13 of Act 3 of 2008, section 23 of Act 60 of 2008, section 21 of Act 17 of 2009, section 23 of Act 7 of 2010, section 34 of Act 24 of 2011 and section 25 of Act 22 of 2012** 5

7. (1) Section 12E of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (4)(a)(i) for the words preceding the proviso of the following words:  
 “the gross income for the year of assessment does not exceed an amount equal to **[R14] R20 million**”. 10

(2) Subsection (1) is deemed to have come into operation on 1 April 2013 and applies in respect of years of assessment ending during the period of 12 months ending on 31 March 2014.

**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 and section 7 of Act 13 of 2012** 15 20

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

“ ‘B’ represents an abatement equal to an amount of **[R63 556] R67 111**”. 25

(2) Subsection (1) is deemed to have come into operation on 1 March 2013 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 and section 14 of Act 13 of 2012** 30 35 40

9. (1) Schedule 1 to the Customs and Excise Act, 1964 (Act No. 91 of 1964), is hereby amended as set out in Appendix II to this Act. 45

(2) For the purposes of Appendix II to this Act any word or expression to which a meaning has been assigned in the Customs and Excise Act, 1964, bears the meaning so assigned unless the context otherwise indicates.

(3) Subject to section 58(1) of the Customs and Excise Act, 1964, subsection (1) is deemed to have come into operation on 27 February 2013. 50

## **Short title**

10. This Act is called the Rates and Monetary Amounts and Amendment of Revenue Laws Act, 2013.

## Appendix I

(Sections 1 and 2)

### RATES OF NORMAL TAX

1. The rate of tax referred to in section 2(1) of this Act 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 (other than a public benefit organisation or recreational club referred to in paragraph 4) in respect of any year of assessment commencing on 1 March 2013 is set out in the table below:

<b>Taxable income</b>	<b>Rate of tax</b>
Not exceeding R165 600	18 per cent of taxable income
Exceeding R165 600 but not exceeding R258 750	R29 808 plus 25 per cent of amount by which taxable income exceeds R165 600
Exceeding R258 750 but not exceeding R358 110	R53 096 plus 30 per cent of amount by which taxable income exceeds R258 750
Exceeding R358 110 but not exceeding R500 940	R82 904 plus 35 per cent of amount by which taxable income exceeds R358 110
Exceeding R500 940 but not exceeding R638 600	R132 894 plus 38 per cent of amount by which taxable income exceeds R500 940
Exceeding R638 600	R185 205 plus 40 per cent of amount by which taxable income exceeds R638 600

2. The rate of tax referred to in section 2(1) of this Act to be levied in respect of the taxable income of a trust (other than a special trust or a public benefit organisation referred to in paragraph 4) in respect of any year of assessment commencing on 1 March 2013 or ending on 28 February 2014 is 40 per cent.

3. The rate of tax referred to in section 2(1) of this Act to be levied in respect of the taxable income of a company (other than a public benefit organisation or recreational club referred to in paragraph 4 or a small business corporation referred to in paragraph 5) in respect of any year of assessment ending during the period of 12 months ending on 31 March 2014 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), (d) and (e));
- (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 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;

- (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 and corporate fund, 28 per cent; and
- (e) in respect of the taxable income derived by a qualifying company contemplated in section 37H of the Income Tax Act, 1962, subject to the provisions of the said section, zero per cent.

4. The rate of tax referred to in section 2(1) of this Act 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 is 28 per cent—

- (a) in the case of an organisation or club that is a company, in respect of any year of assessment ending during the period of 12 months ending on 31 March 2014; or
- (b) in the case of an organisation that is a trust, in respect of any year of assessment commencing on 1 March 2013 or ending on 28 February 2014.

5. The rate of tax referred to in section 2(1) of this Act 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 during the period of 12 months ending on 31 March 2014 is set out in the table below:

<b>Taxable income</b>	<b>Rate of tax</b>
Not exceeding R67 111	0 per cent of taxable income
Exceeding R67 111 but not exceeding R365 000	7 per cent of amount by which taxable income exceeds R67 111
Exceeding R365 000 but not exceeding R550 000	R20 852 plus 21 per cent of amount by which taxable income exceeds R365 000
Exceeding R550 000	R59 702 plus 28 per cent of amount by which taxable income exceeds R550 000

6. The rate of tax referred to in section 2(2) of this Act 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 ending during the period of 12 months ending on 31 March 2014 is set out in the table below:

<b>Taxable turnover</b>	<b>Rate of tax</b>
Not exceeding R150 000	0 per cent of taxable turnover
Exceeding R150 000 but not exceeding R300 000	1 per cent of amount by which taxable turnover exceeds R150 000
Exceeding R300 000 but not exceeding R500 000	R1 500 plus 2 per cent of amount by which taxable turnover exceeds R300 000
Exceeding R500 000 but not exceeding R750 000	R5 500 plus 4 per cent of amount by which taxable turnover exceeds R500 000
Exceeding R750 000	R15 500 plus 6 per cent of amount by which taxable turnover exceeds R750 000

7. (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 2013, the rate of tax referred to in section 2(1) of this Act 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 R22 500	0 per cent of taxable income
Exceeding R22 500 but not exceeding R600 000	18 per cent of taxable income exceeding R22 500
Exceeding R600 000 but not exceeding R900 000	R103 950 plus 27 per cent of taxable income exceeding R600 000
Exceeding R900 000	R184 950 plus 36 per cent of taxable income exceeding R900 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
- (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 2013, the rate of tax referred to in section 2(1) of this Act 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 R315 000	0 per cent of taxable income
Exceeding R315 000 but not exceeding R630 000	18 per cent of taxable income exceeding R315 000
Exceeding R630 000 but not exceeding R945 000	R56 700 plus 27 per cent of taxable income exceeding R630 000
Exceeding R945 000	R141 750 plus 36 per cent of taxable income exceeding R945 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 2013, the rate of tax referred to in section 2(1) of this Act 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

(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 R315 000	0 per cent of taxable income
Exceeding R315 000 but not exceeding R630 000	18 per cent of taxable income exceeding R315 000
Exceeding R630 000 but not exceeding R945 000	R56 700 plus 27 per cent of taxable income exceeding R630 000
Exceeding R945 000	R141 750 plus 36 per cent of taxable income exceeding R945 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).

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

**9.** The rate of tax set out in paragraph 6 is the rate required to be fixed by Parliament in accordance with the provisions of section 48B(1) of the Income Tax Act, 1962.

**10.** For the purposes of this Appendix, 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.

## Appendix II

### AMENDMENT OF PART 1 OF SCHEDULE NO. 1 TO CUSTOMS AND EXCISE ACT, 1964

#### (Section 9)

1. By the insertion in Chapter 22 after Additional Note 4 of the following additional note:

5. For the purposes of heading 22.06—
- (a) Not more than 20 per cent of the fermentable sugars used in any fermented fruit beverage, fortified or unfortified, may be of an origin other than fruit;
  - (b) subject to paragraph (c)(iii) and (c)(iv) below, fortified apple or fortified pear beverages shall be fortified by the addition of a rectified spirits derived from apples or pears respectively; and
  - (c) not more than 25 per cent of the final volume of—
    - (i) fermented apple beverages shall consist of fruit juice derived from pears or added fermented pear beverages;
    - (ii) fermented pear beverages shall consist of fruit juice derived from apples or added fermented apple beverages;
    - (iii) fortified fermented apple beverages shall consist of fruit juice derived from pears, or added fermented pear beverages or fortified fermented pear beverages; and
    - (iv) fortified fermented pear beverages shall consist of fruit juice derived from apples, or added fermented apple beverages or fortified fermented apple beverages.

2. By the insertion in heading 22.06 of Chapter 22 of the following subheadings:

Heading/ Subhead- ing	CD	Article Description	Statistical Unit	Rate of Duty			
				General	EU	EFTA	SADC
2206.00.17	7	— Other fermented beverages, unfortified, with an alcoholic strength of less than 2,5 per cent by volume	li	25%	free	25%	free
2206.00.84	3	— 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.	li	25%	free	25%	free

3. By the substitution in heading 22.06 of Chapter 22 for subheadings 2206.00.05, 2206.00.15, 2206.00.81, 2206.00.82, 2206.00.83, 2206.00.85, 2206.00.87 and 2206.00.90 of the following subheadings, respectively:

Heading/ Subhead- ing	CD	Article Description	Statistical Unit	Rate of Duty			
				General	EU	EFTA	SADC
2206.00.05	3	— Sparkling fruit beverages and sparkling mead	li	25%	free	25%	free
2206.00.15	0	— Traditional African beer as defined in Additional Note 1 to Chapter 22	li	25%	free	25%	free
2206.00.81	9	— 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.	li	25%	free	25%	free
2206.00.82	7	— 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.	li	25%	free	25%	free

Heading/ Subhead- ing	CD	Article Description	Statistical Unit	Rate of Duty			
				General	EU	EFTA	SADC
2206.00.83	5	— 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.	li	25%	free	25%	free
2206.00.85	1	— Other mixtures of fermented fruit beverages or mead beverages and non-alcoholic beverages, unfortified, with an alcoholic strength of at least 2.5 per cent by volume but not exceeding 15 per cent by vol.	li	25%	free	25%	free
2206.00.87	8	— Other mixtures of fermented fruit beverages 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.	li	25%	free	25%	free
2206.00.90	8	— Other	li	25%	free	25%	free

**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>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	R63.81/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	R8.28/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 6.5 per cent by volume but not exceeding 16.5 per cent by vol.	R2.70/li
104.15.04	2204.21.42	Other	R122.80/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.	R4.85/li
104.15.06	2204.21.52	Other	R122.80/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>	
104.15.07	2204.29.41	With an alcoholic strength of at least 6.5 per cent by volume but not exceeding 16.5 per cent by vol.	R2.70/li
104.15.08	2204.29.42	Other	R122.80/li aa
<b>104.15</b>	<b>2204.29.5</b>	<b>Fortified wine:</b>	
104.15.09	2204.29.51	With an alcoholic strength of at least 15 per cent by volume but not exceeding 22 per cent by vol.	R4.85/li
104.15.10	2204.29.52	Other	R122.80/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>	
<b>104.16</b>	<b>2205.10</b>	<b>In containers holding 2 li or less:</b>	
104.16.01	2205.10.10	Sparkling	R8.28/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 6.5 per cent by volume but not exceeding 15 per cent by vol.	R2.70/li
104.16.04	2205.10.22	Other	R122.80/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.	R4.85/li
104.16.06	2205.10.32	Other	R122.80/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 6.5 per cent by volume but not exceeding 15 per cent by vol.	R2.70/li
104.16.10	2205.90.22	Other	R122.80/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.	R4.85/li
104.16.12	2205.90.32	Other	R122.80/li aa
<b>104.17</b>	<b>22.06</b>	<b>Other fermented beverages (for example, cider, perry, mead); 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 fruit beverages and sparkling mead	R8.28/li
104.17.05	2206.00.15	Traditional African beer as defined in Additional Note 1 to Chapter 22	7,82c/li
104.17.07	2206.00.17	Other fermented beverages, unfortified, with an alcoholic strength of less than 2,5 per cent by volume	R63.81/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.	R3.19/li

Tariff Item	Tariff subheading	Article Description	Rate of Excise Duty
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.	R3.19/li
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.	R50.16/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.	R50.16/li aa
104.17.22	2206.00.85	Other mixtures of fermented fruit beverages or mead beverages and non-alcoholic beverages, unfortified, with an alcoholic strength of at least 2,5 per cent by volume but not exceeding 15 per cent by vol.	R3.19/li
104.17.25	2206.00.87	Other mixtures of fermented fruit beverages 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.	R50.16/li aa
104.17.90	2206.00.90	Other	R63.81/li aa
<b>104.21</b>	<b>22.07</b>	<b>Undenatured ethyl alcohol of an alcoholic strength by volume of 80 per cent 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 vol. or higher	R122.80/li aa
104.21.03	2207.20	Ethyl alcohol and other spirits, denatured, of any strength	R122.80/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>	
104.23.01	2208.20.10	In containers holding 2 li or less	R122.80/li aa
104.23.03	2208.20.90	Other	R122.80/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	R122.80/li aa
104.23.07	2208.30.90	Other	R122.80/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	R122.80/li aa
104.23.11	2208.40.90	Other	R122.80/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	R122.80/li aa
104.23.15	2208.50.90	Other	R122.80/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	R122.80/li aa
104.23.19	2208.60.90	Other	R122.80/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 vol. but not exceeding 23 per cent vol.	R50.16/li aa
104.23.22	2208.70.22	Other	R122.80/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 vol. but not exceeding 23 per cent vol.	R50.16/li aa
104.23.24	2208.70.92	Other	R122.80/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 vol. but not exceeding 23 per cent vol.	R50.16/li aa
104.23.26	2208.90.22	Other	R122.80/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 vol. but not exceeding 23 per cent vol.	R50.16/li aa
104.23.28	2208.90.92	Other	R122.80/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	R2 467.83/kg net
104.30.03	2402.10.90	Other	R2 467.83/kg net
<b>104.30</b>	<b>2402.20</b>	<b>Cigarettes containing tobacco:</b>	
104.30.05	2402.20.10	Imported from Switzerland	R5.46/10 cigarettes
104.30.07	2402.20.90	Other	R5.46/10 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	R2 467.83/kg net

<b>Tariff Item</b>	<b>Tariff subheading</b>	<b>Article Description</b>	<b>Rate of Excise Duty</b>
104.30.11	2402.90.14	Other	R2 467.83/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	R5.46/10 cigarettes
104.30.15	2402.90.24	Other	R5.46/10 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	R141.60/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	R141.60/kg net
104.35.03	2403.19.20	Other pipe tobacco	R141.60/kg net
104.35.05	2403.19.30	Cigarette tobacco	R243.20/kg
<b>104.35</b>	<b>2403.99</b>	<b>Other:</b>	
104.35.07	2403.99.30	Other cigarette tobacco substitutes	R243.20/kg
104.35.09	2403.99.40	Other pipe tobacco substitutes	R141.60/kg net





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