

- An expanded tax incentive for businesses of 125% of the cost of renewable energy assets used for electricity generation brought into use during 01/03/2023 – 28/02/2025.

Turnover Tax for Micro Businesses

Taxable Income (R)	Rates of tax (%)*
0 – 335 000	0%
335 001 – 500 000	1% of amount over 335 000
500 001 – 750 000	1 650 + 2% of amount over 500 000
750 001 and above	6 650 + 3% of amount over 750 000

*Effective for years of assessment ending any date between 1 March 2024 and 28 February 2025.

Micro Business is defined as a business with a qualifying turnover that does not exceed R1m for a year of assessment and, which is not specifically disqualified from making use of the turnover tax.

The first R200 000 dividends paid during a tax year by the Micro Business is exempt from Dividends Tax.

OTHER TAXES

Skills Development Levies (SDL)

- All employers paying annual remuneration of less than R500 000 will be exempt from SDL.

Employment Tax Incentive (ETI)

- Employers of qualifying employees (i.e. aged between 18 and 29) may be eligible for a rebate/refund of employee's tax.
- ETI credits - a maximum of R1 500 per month in the first 12 months and a maximum of R750 in the second 12 months of eligibility. *Due to the abuse of ETI, understatement penalties will be imposed on improper claims.*

Unemployment Insurance Fund Contributions (UIF)

- UIF is payable monthly by employers, 1% by employers and 1% by employees, based on employees' remuneration below a certain amount.
- Employers not registered for PAYE or SDL purposes must pay the contributions to the Unemployment Insurance Commissioner.

Value-Added Tax (VAT)

Standard-rated supplies	15%
Zero-rated supplies	0%
Exempt supplies	Exempt
Turnover level for VAT registration	Compulsory after R1m p.a. achieved/likely to be achieved. Voluntary minimum of R50 000 p.a.

Transfer duty

Payable on the purchase of property or shares/contingent rights in residential property-owning companies/trusts not subject to VAT at the following rates:

By all persons:

Value of Property (R)	Rates of tax (%)
0 - 1 100 000	0%
1 100 001 - 1 512 500	3% of amount above 1 100 000
1 512 501 - 2 117 500	12 375 + 6% of amount above 1 512 500
2 117 501 - 2 722 500	48 675 + 8% of amount above 2 117 500
2 722 501 – 12 100 000	97 075 + 11% of amount above 2 722 500
12 100 001 and above	1 128 600 + 13% of amount above 12 100 000

Donations tax

- Levied at a flat rate of 20%
- Exemptions:

- R100 000 per annum donated by natural persons
- R10 000 per annum in case of person who is not a natural person
- Donations between spouses, SA group companies and to certain public benefit organisations.

Estate duty

- Levied at a rate of 20% on the first R30m while 25% above R30m
- Applies to all property of SA residents and SA property of non-residents.
- Primary abatement of R3,5m (R7m for a married couple)
- In addition, specific deductions, inter alia funeral and death bed expenses, debts due, administration charges, bequests to any public benefit organisation which is exempt from tax and bequests and property left to a surviving spouse, are allowable.

RETIREMENT FUND LUMP SUM WITHDRAWAL BENEFITS

Taxable Income (R)	Rates of tax (%)
0 – 27 500	0%
27 501 – 726 000	18% of amount above 27 500
726 001 – 1 089 000	125 730 + 27% of amount above 726 000
1 089 001 and above	223 740 + 36% of amount above 1 089 000

RETIREMENT FUND LUMP SUM BENEFITS - RETIREMENT/RETRENCHMENT

Taxable Income (R)	Rates of tax (%)
0 - 550 000	0%
550 001 - 770 000	18% of amount above 550 000
770 001 - 1 155 000	39 600 + 27% of amount above 770 000
1 155 001 and above	143 550 + 36% of amount above 1 155 000

Note: Taxable income is cumulative and includes all lump sum payments whether on retirement (after 1 October 2007) or withdrawal (after 1 March 2009) or a severance benefit (after 1 March 2011).

EXCHANGE CONTROL

Single discretionary allowance (including travel)

- R1m per calendar year

Foreign capital allowance – Residents/Emigrants

- R10m per calendar year for individuals (limited to R10m per family unit).
- R20m per family unit in calendar year of emigration and subsequent years. Excess subject to application.

INTEREST RATES

Prime bank overdraft rates as at 29 February 2024

Date of change	Rate p.a.
2023/04/01 to date	11.75%
2023/01/28 – 2023/03/31	11.25%
2022/11/25 – 2022/11/27	10.75%
2022/09/23 – 2022/11/24	10.5%
2022/07/22 – 2022/09/25	9.75%

SARS prescribed rates of interest as at 29 February 2024

Fringe benefits – interest free or low-interest loans	9.25% per annum
Late or under payments of tax	11.75% per annum
Refunds of overpayments of provisional tax	7.750% per annum
Refunds of tax upon successful appeal	11.75% per annum
Late payments of VAT	11.75% per annum
Refund of VAT after prescribed period	11.75% per annum
Customs and Excise	11.75% per annum

SECURITIES TRANSFER TAX

Tax levied at a rate of 0,25% on the transfer of listed or unlisted securities, consisting of shares in companies or member's interest in close corporations.

IMPORTANT BUDGET PROPOSALS

- **Two-Pot retirement reform** – to be implemented on 1 September 2024.
 - **Vested pot** – all retirement contributions/assets to 31 August 2024.
 - **Savings pot** – one third (1/3) of new contributions to be allocated. You have the option to withdraw **pre-retirement** from this fund within a 12-month period **subject to taxation at your marginal income tax rate** (pre-retirement).
 - **Retirement pot** – Upon reaching retirement age, any remaining Savings pot can be taken as a lumpsum or transferred to Retirement pot. 100% of funds in Retirement pot must be used to purchase compulsory annuity. Note that withdrawals from your **Savings pot at retirement** will be taxed in accordance with the **Retirement Tax Table**.
- **Global Minimum tax** at 15% applies to large multinational groups of companies with annual revenue exceeding 750 million Euros from 1 January 2024

SERVICES OFFERED

Professional Services

- Accounting
- Auditing and Review
- B-BBEE Consulting
- Business Consulting
- Business Rescue Services
- Company Secretarial
- Comprehensive Monthly Accounting and Consulting Services
- Drafting of IFRS and IFRS for SME's compliant AFS
- Estate Planning
- Forensic Consulting
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- Retail
- Taxation

Affiliated Services

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- Human Resources
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DISCLAIMER

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TAX TABLES

Year of assessment ending 28 February 2025

Individuals, Deceased Estates and qualifying Trusts

Taxable Income (R)	Rates of tax (%)
0 – 237 100	18% of each R1
237 101 – 370 500	42 678 + 26% of amount over 237 100
370 501 – 512 800	77 362 + 31% of amount over 370 500
512 801 – 673 000	121 475 + 36% of amount over 512 800
673 001 – 857 900	179 147 + 39% of amount over 673 000
857 901 – 1 817 000	251 258 + 41% of amount over 857 900
1 817 001 and above	644 489 + 45% of amount over 1 817 000

Trusts other than special trusts - Rate of tax **45%**

Rebates

	2025	2024
	R	R
Primary	17 235	17 235
Secondary - 65 and older	9 444	9 444
Tertiary - 75 and older	3 145	3 145

Threshold at which tax liability commences

	2025	2024
	R	R
• Below 65	95 750	95 750
• 65 and older	148 217	148 217
• 75 and older	165 689	165 689

EXEMPTIONS

Interest

- R23 800 per taxpayer on interest and foreign dividends.
- R34 500 per taxpayer 65 and older.
- Interest is exempt where earned by non-residents who are absent from SA for 182 days or more per annum and who are not carrying on business in SA.
- Interest paid to non-residents may be subject to Withholding Tax (WHT) at 15% where not subject to a Double Tax Agreement (DTA)

Dividends – local and foreign

- Most dividends received by local residents from SA resident companies are subject to dividend withholding tax (DWT) of 20%.
- Foreign dividends received by individuals are taxable at a maximum effective rate of 20% where less than 10% of equity held in the foreign entity.
- *No deductions are allowed for expenditure to produce foreign dividends.*
- If a SA resident holds more than 10% of the equity share capital in the foreign company declaring the dividend, any foreign dividends received by the resident will be exempt from tax.

CAPITAL GAINS TAX (CGT)

- Only gains accruing after 01/10/2001 on the disposal of assets, death, donation, exchange, loss or emigration are subject to CGT, subject to certain exemptions.
- The first R40 000 per annum of the capital gain or loss realised by individuals and special trusts is exempt from CGT or R300 000 in the year of death.

- Withholding tax for non-residents on sale of SA immovable property costing >R2m: 7.5% for natural persons, 10% for companies and 15% for trusts.
- If proceeds from sale of primary residence is R2m or less it is exempt, else exemption of R2m of the capital gain will apply to primary residence disposals if less than 2 hectares.
- Small business assets (persons over age 55 and market value of assets not more than R10 million): R1.8 million

Taxpayer	Inclusion rate (%)	Effective (%)
Individuals	40	18.0
Trusts	80	36.0
Companies	80	21.6

Tax-free investments

- Amounts received by or accrued to an individual invested in prescribed investments/policies will be exempt. Contributions are subject to R36 000 annual and R500 000 lifetime limit.

Foreign remuneration exemption:

- SA resident employees who render services for any employer outside RSA for a period exceeding 183 days during a period of assessment, and for a continuous period exceeding 60 days during such 183 day period, will be liable for income tax on their remuneration for that period subject to an exemption. From 01/03/2020 the exemption is limited to R1.25m per year.

PROVISIONAL TAX

The following individuals are not required to register for provisional tax purposes:

- No income derived from the carrying on of business.
- Taxable income will not exceed the tax threshold; or
- Taxable income derived from interest, foreign dividends and rental will not exceed R30 000.
- Deceased estates are not provisional taxpayers.

DEDUCTIONS AND TAX CREDITS

Pension, Retirement and Provident Fund contributions

From 01/03/2016, the deduction of the total contributions is limited to 27.5% of the **greater** of remuneration for PAYE purposes or taxable income (both excluding retirement fund lump sum and severance benefits). This deduction is limited to a maximum of R350 000 per annum.

All employer contributions towards these funds are taxed as a fringe benefit and treated as contributions paid to the fund by the employee.

Any contributions in excess of the annual limitations are carried forward to the following tax year. Any excess is further reduced by contributions set-off when determining taxable retirement fund lump sums or retirement annuities.

Medical and disability expenses

- **Medical scheme fees tax credit:** Monthly credit of R364 (2024: R364) each for the taxpayer and his/her spouse (or first dependant), and a further R246 (2024: R246) for every additional dependant.
- **Additional medical expenses tax credit:**

Under 65 years with no disability

- 25% of medical scheme contributions in excess of four times the medical scheme fees tax credit, and

- 25% of any other qualifying medical expenses in excess of 7.5% of taxable income (excluding certain lumpsums).

Under 65 years with disability or 65 years and older

- 33.3% of medical scheme contributions in excess of three times the medical scheme fees tax credit, and
- 33.3% of other qualifying medical expenses.

Donations

Donations to certain public benefit organisations are limited to 10% of taxable income before deducting medical expenses. Any excess may be carried forward to the following year of assessment. The claim must be supported by a Section 18A certificate issued by the public benefit organisation.

LIMITATION OF EMPLOYEE DEDUCTIONS

- Losses from secondary trades, incurred by individuals whose income exceeds R1 817 000 per annum, are ring-fenced in certain circumstances.

VARIABLE REMUNERATION

- Variable remuneration (i.e. commission, overtime, bonuses, reimbursive travel and leave pay) is accounted for on a payments basis – this applies to the deductions for PAYE, inclusion of employee's gross income and the employer's income tax deduction.

FRINGE BENEFITS

Travel allowance

Deemed expenditure rates, which may be used in determining the allowable deduction for business travel, where actual costs are not used, are as follows:

Value of the vehicle (including VAT) (R)	Fixed cost R	Fuel cost c/km	Maintenance cost c/km
0 - 100 000	34 480	151.7	46.0
100 001 - 200 000	61 770	169.4	57.6
200 001 - 300 000	89 119	184.0	63.5
300 001 - 400 000	113 436	197.9	69.3
400 001 - 500 000	137 752	211.8	81.5
500 001 - 600 000	163 178	243.0	95.6
600 001 - 700 000	188 653	247.1	107.3
700 001 - 800 000	215 447	251.2	118.9
Exceeding 800 000	215 447	251.2	118.9

Notes:

- The fixed cost is reduced on a pro-rata basis if the vehicle is used for business purposes for less than a full year.
- A logbook must be maintained to substantiate the actual mileage and business mileage travelled for the year to claim against a travel allowance received.
- No employees' tax is payable on a reimbursive allowance paid by an employer to an employee, where the employee does not receive a travel allowance, provided the distance travelled is for business purposes and the rate per km does not exceed **484** cents per km.

80% of the fringe benefit or travel allowance is subject to PAYE on a monthly basis. If the employer is satisfied that at least 80% of the use of the motor vehicle in the tax year is for business, the percentage is reduced to 20%.

Company car

- Tax at 3.5% per month (3.25% per month where maintenance plan) on determined value (cash cost including VAT).

- A logbook **must** be maintained to substantiate the actual and business mileage travelled for the year, to reduce the fringe benefit on assessment.
- If the employee has borne the cost of licence, insurance, maintenance and fuel for private travel and the private distance travelled is substantiated by a logbook, further relief is available on assessment.

Subsistence allowance

Where the employee is by reason of his duties obliged to spend at least one night away from his usual place of residence, the employee is deemed to have expended:

- R169 (2024: R161) per day if the allowance or advance is granted to pay for incidental costs only, or
- R548 (2024: R522) per day if the allowance or advance is granted to pay for the cost of meals and incidental costs, or
- Where the allowance or advance is granted to pay for incidental costs only for travel outside South Africa (not exceeding six weeks) the applicable country's rate per day must be used (as issued by SARS on 01/03/2024).

Interest-free or low-interest loans

The difference between interest at the official rate and the actual amount of interest charged. The current official rate of interest is 9.25% per annum (8.75% from 01/04/2023 – 31/05/2023; 8.25% from 01/02/2023 – 31/03/2023; 8% from 01/12/2022 – 31/01/2023; 7.25% from 01/10/2022 – 30/11/2022).

COMPANIES

Corporate Tax Rate

Entity	Years of assessment ending any date between 1 April 2024 and 31 March 2025
• Companies	27%
• Small Business Corporations:	
0 – 95 750	0%
95 751 – 365 000	7% of taxable income above 95 750
365 001 – 550 000	18 848 + 21% of taxable income above 365 000
550 001 and above	57 698 + 27% of taxable income above 550 000

Small Business Corporations (SBC):

- The turnover qualifying limit is R20m.
 - Depreciation write-off at 50:30:20% rate for all depreciable assets.
 - Manufacturing assets immediate 100% write-off.
 - SBC's include personal services entities, provided that the business maintains at least 3 full-time employees for core operations.
- ##### Dividends Tax
- Dividends Tax is withheld at 20% on dividends declared and paid by resident companies (depending on the nature of the shareholder) and certain non-resident companies.
 - To be withheld by companies paying the taxable dividend or by regulated intermediaries (i.e. listed shares) - certain exemptions apply.

Wear and tear allowances

- Any asset costing less than R7 000 excl. VAT may be written off in full in the year of acquisition.
- CGT and income tax recoupment relief if sale proceeds of movable depreciable business assets reinvested in other movable assets within 12 months.