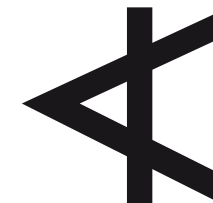


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Income Tax: Individuals & Special Trusts

Taxable Income (R)	Rate of Tax (R)
0 – 189 880	18% of taxable income
189 881 – 296 540	34 178 + 26% of taxable income above 189 880
296 541 – 410 460	61 910 + 31% of taxable income above 296 540
410 461 – 555 600	97 225 + 36% of taxable income above 410 460
555 601 – 708 310	149 475 + 39% of taxable income above 555 600
708 311 – 1 500 000	209 032 + 41% of taxable income above 708 310
1 500 001 and above	533 625 + 45% of taxable income above 1 500 000

Trusts other than special trusts: Rate of Tax 45%

Tax Rebates

Rebates	
Primary	R 13 635
Secondary (Persons 65 and older)	R 7 479
Tertiary (Persons 75 and older)	R 2 493

Tax Thresholds

Age	Tax Threshold
Below age 65	R 75 750
Age 65 to below 75	R 117 300
Age 75 and over	R 131 150

Provisional Tax

A provisional taxpayer is any person who earns income other than remuneration from a registered employer or an allowance or advance payable by the person's principal.

An individual is exempt from the payment of provisional tax if the individual does not carry on any business and the individual's taxable income:

- will not exceed the tax threshold for the tax year; or
- from interest, dividends, foreign dividends, rental from the letting of fixed property and remuneration from an unregistered employer will be R30 000 or less for the tax year.

Provisional tax returns showing an estimation of total taxable income for the year of assessment are required from provisional taxpayers.
Deceased estates are not provisional taxpayers.

Travelling Allowance

Rates per kilometre, which may be used in determining the allowable deduction for business travel against an allowance or advance where actual costs are not claimed, are determined by using the following table:

Value of the vehicle (incl VAT (R))	Fixed cost (R p.a.)	Fuel cost (c/km)	Maintenance cost (c/km)
0 – 85 000	28 492	91.2	32.9
85 001 – 170 000	50 924	101.8	41.2
170 001 – 255 000	73 427	110.6	45.4
255 001 – 340 000	93 267	118.9	49.6
340 001 – 425 000	113 179	127.2	58.2
425 001 – 510 000	134 035	146.0	68.4
510 001 – 595 000	154 879	150.9	84.9
exceeding 595 000	154 879	150.9	84.9

Note:

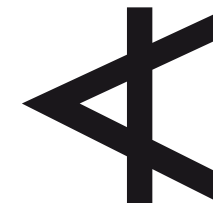
80% of the travelling allowance must be included in the employee's remuneration for the purposes of calculating PAYE. The percentage is reduced to 20% if the employer is satisfied that at least 80% of the use of the motor vehicle for the tax year will be for business purposes.

No fuel cost may be claimed if the employee has not borne the full cost of fuel used in the vehicle and no maintenance cost may be claimed if the employee has not borne the full cost of maintaining the vehicle (e.g. if the vehicle is covered by a maintenance plan).

The fixed cost must be reduced on a pro-rata basis if the vehicle is used for business for less than a full year.

The actual distance travelled during a tax year and the distance travelled for business purposes substantiated by a log book are used to determine the costs which may be claimed against a travelling allowance.

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Income Tax: Companies

Financial years ending on any date between 1 April 2017 and 31 March 2018

Type	Rate of Tax (R)
Companies	28% of taxable income

Income Tax: Small Business Corporations

Financial years ending on any date between 1 April 2017 and 31 March 2018

Type	Rate of Tax (R)
0 – 75 750	0% of taxable income
75 751 – 365 000	7% of taxable income above 75 750
365 001 – 550 000	20 248 + 21% of taxable income above 365 000
550 001 and above	59 098 + 28% of taxable income above 550 000

Income Tax: Tax for Micro Businesses

Financial years ending on any date between 1 March 2017 and 28 February 2018

Taxable turnover (R)	Rate of Tax (R)
0 – 335 000	0% of taxable turnover
335 001 - 500 000	1% of taxable turnover above 335 000
500 001 - 750 000	1 650 + 2% of taxable turnover above 500 000
750 001 and above	6 650 + 3% of taxable turnover above 750 000

Taxation of Capital Gains

Capital gains on the disposal of assets are included in taxable income.

Maximum effective rate of tax:

Individuals and special trusts	18%
Companies	22.4%
Other trusts	36%

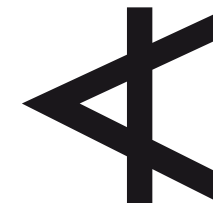
Events that trigger a disposal include a sale, donation, exchange, loss, death and emigration. The following are some of the specific exclusions:

- * R2 million gain or loss on the disposal of a primary residence
- * Most personal use assets
- * Retirement benefits
- * Payments in respect of original long-term insurance policies
- * Annual exclusion of R40 000 capital gain or capital loss is granted to individuals and special trusts
- * Small business exclusion of capital gains for individuals (at least 55 years of age) of R1.8 million when a small business with a market value not exceeding R10 million is disposed of
- * Instead of the annual exclusion, the exclusion granted to individuals is R300 000 for the year of death.

Dividends Tax

Dividends tax is a final tax at a rate of 20% on dividends paid by resident companies and by non-resident companies in respect of shares listed on the JSE. Dividends are tax exempt if the beneficial owner of the dividend is a South African company, retirement fund or other exempt person. Non-resident beneficial owners of dividends may benefit from reduced tax rates in limited circumstances. The tax is to be withheld by companies paying the taxable dividends or by regulated intermediaries in the case of dividends on listed shares. The tax on dividends in kind (other than in cash) is payable and is borne by the company that declares and pays the dividend.

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Transfer Duty

Transfer duty is payable at the following rates on transactions that are not subject to VAT:

Acquisition of property by all persons:

Value of property (R)	Rate
0 - 900 000	0%
900 001 - 1 250 000	3% of the value above R900 000
1 250 001 - 1 750 000	R15 000 + 6% of the value above R1 250 000
1 750 001 - 2 250 000	R45 000 + 8% of the value above R1 750 000
2 250 001 - 10 000 000	R85 000 + 11% of the value exceeding R2 250 000
10 000 000 and above	R937 500 + 13% of the value exceeding R10 000 000

Donations Tax

- * Donations tax is levied at a flat rate of 20% on the value of property donated.
- * The first R100 000 of property donated in each year by a natural person is exempt from donations tax.
- * In the case of a taxpayer that is not a natural person, the exempt donations are limited to casual gifts not exceeding R10 000 per annum in total.
- * Dispositions between spouses and South African group companies and donations to certain public benefit organisations are exempt from donations tax.

Budget Highlights

- * Personal income tax increase of R16.5 bn due to not adjusting fully for the effect of inflation and the introduction of a top marginal tax rate of 45% on taxable income above R1 500 000
- * The value at which property is taxed at 0 % is increased from R750 000 to R900 000. Withholding tax on non-residents disposing of immovable property is increased from 5% to 7.5% for foreign individuals, from 7.5% to 10% for foreign companies and from 10% to 15% for foreign trusts
- * DIVIDENDS TAX RATE INCREASES to 20% from 15% on 22 February 2017
- * INCREASE IN EFFECTIVE TAX RATE ON FOREIGN DIVIDENDS for tax years commencing on or after 1 March 2017
- * A health promotion levy on sugary beverages at 2.1 cents per gram of sugar content above 4 grams per 100 millilitre will be implemented in 2017 as soon as legislative amendments have been promulgated
- * General fuel levy increases by 30 cents per litre and road accident fund levy increases by 9 cents per litre on 5 April 2017
- * Cap on annual contributions to tax free investment accounts increases from R30 000 to R33 000

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