



2019 Tax Rates

QUICK GUIDE



Individuals and Special Trusts

| Taxable Income (R) | Rate of Tax (R) |
|---------------------|---|
| 0 - 195 850 | 18% of each R |
| 195 851 - 305 850 | 35 253 + 26% of taxable income above 198 850 |
| 305 851 - 423 300 | 63 853 + 31% of taxable income above 305 850 |
| 423 301 - 555 600 | 100 263 + 36% of taxable income above 423 300 |
| 555 601 - 708 310 | 147 891 + 39% of taxable income above 555 600 |
| 708 311 - 1 500 000 | 207 448 + 41% of taxable income above 708 310 |
| 1 500 000 and above | 532 041 + 45% of taxable income above 1 500 000 |

Trust other than special trusts: Rate of tax 45%



Income Tax: Companies

Financial years ending on any date between 1 April 2018 and 31 March 2019

| 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

| Taxable income (R) | Rate of Tax (R) |
|--------------------|--|
| 0 - 78 150 | 0% of taxable income |
| 78 151 - 365 000 | 7% of taxable income above 78 150 |
| 365 001 - 550 000 | 20 080 + 21% of taxable income above 365 000 |
| 550 001 and above | 58 930 + 28% of the amount above 550 000 |



Turnover Tax for Micro Businesses

Financial years ending on any date between 1 April 2018 and 31 March 2019

| Taxable income (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 |



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.



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



Other Taxes Duties and Levies

Value-added Tax (VAT)

VAT is levied at the standard rate of 15% on the supply of goods and services by registered vendors. The tax rate was 14% until 31 March 2018.

Transfer Duty

Transfer duty is payable at the following rates on transactions which 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 | R10 500 + 6% of the value above R1 250 000 |
| 1 750 001 - 2 250 000 | R40 500 + 8% of the value above R1 750 000 |
| 2 250 001 - 10 000 000 | R80 500 + 11% of the value above R2 250 000 |
| 10 000 001 and above | R933 000 + 13% of the value above R10 000 000 |

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 (including VAT) (R) | Fixed cost (R p.a) | Fuel cost (c/km) | Maintenance cost (c/km) |
|--|--------------------|------------------|-------------------------|
| 0 - 80 500 | 28 352 | 95.7 | 34.4 |
| 85 001 - 170 000 | 50 631 | 106.8 | 43.1 |
| 170 001 - 255 000 | 72 983 | 116.0 | 47.5 |
| 255 001 - 340 000 | 92 683 | 124.8 | 51.9 |
| 340 001 - 425 000 | 112 443 | 133.5 | 60.9 |
| 425 001 - 510 000 | 133 147 | 153.2 | 71.6 |
| 510 001 - 595 000 | 153 850 | 158.4 | 88.9 |
| exceeding 595 000 | 153 850 | 158.4 | 88.9 |



Note:

80% of the travelling allowance must be included in the employee's remuneration of 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 purposes 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.



Budget Highlights

- ⦿ An increase in the value-added tax rate from 14 percent to 15 percent
- ⦿ A below inflation increase in the personal income tax rebates and brackets, with greater relief for those in the lower income tax brackets
- ⦿ An increase in the ad-valorem excise duty rate on luxury goods from 7 percent to 9 percent
- ⦿ A higher estate duty tax rate of 25 percent for estates greater than R30 million
- ⦿ A 52 cents per litre increase in the levies on fuel, made up of a 22 cents per litre for the general fuel levy and a 30 cents per litre increase in the Road Accident Fund Levy
- ⦿ Increases in the alcohol and tobacco excise duties of between 6 and 10 percent



**For help with your
company taxes contact
Mike Punnett @ 011 053 4200
or services@bizbuddy.co.za**