



Tax data card

2010 / 2011



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Red text denotes changes from February 2009 / 2010 tax data card

Interest rates

Effective date	A %	B %	C %	D %
01/11/04	6.5	10.5	"	"
15/04/05	"	"	"	10.5
01/09/05	"	"	8.0	"
08/06/06	"	"	"	11.0
03/08/06	"	"	"	11.5
01/09/06	"	"	9.0	"
13/10/06	"	"	"	12.0
01/11/06	7.0	11.0	"	"
08/12/06	"	"	"	12.5
01/03/07	8.0	12.0	10.0	"
08/06/07	"	"	"	13.0
17/08/07	"	"	"	13.5
01/09/07	"	"	11.0	"
12/10/07	"	"	"	14.0
01/11/07	9.0	13.0	"	"
07/12/07	"	"	"	14.5
01/03/08	10.0	14.0	12.0	"
11/04/08	"	"	"	15.0
13/06/08	"	"	"	15.5
01/09/08	11.0	15.0	13.0	"
12/12/08	"	"	"	15.0
06/02/09	"	"	"	14.0
01/03/09	"	"	11.5	"
25/03/09	"	"	"	13.0
01/05/09	9.5	13.5	"	"
04/05/09	"	"	"	12.0
29/05/09	"	"	"	11.0
01/06/09	"	"	9.5	"
01/07/09	8.5	12.5	8.5	"
01/08/09	7.5	11.5	"	"
14/08/09	"	"	"	10.5
01/09/09	6.5	10.5	8.0	"

- A Where SARS pays interest to the taxpayer on an overpayment of provisional tax.
 B Interest rates charged on outstanding taxes, duties and levies and interest rates payable in respect of refunds of tax on successful appeals and certain delayed refunds.
 C Official rate of interest for purposes of tax on fringe benefits.
 D Prime bank overdraft rates.

Tax rates - individuals and trusts

1 March 2010 to 28 February 2011

Individuals and special trusts

Taxable income (R)	(R + %)	Rate of tax (R)	
0 – 140 000	18%	of each R1	
140 001 – 221 000	25 200 + 25%	of the amount above	140 000
221 001 – 305 000	45 450 + 30%	"	221 000
305 001 – 431 000	70 650 + 35%	"	305 000
431 001 – 552 000	114 750 + 38%	"	431 000
552 001 and above	160 730 + 40%	"	552 000
Trusts other than special trusts		40% of each R1	
Tax rebates and deductions		2011	2010
Rebates		R	R
• Primary rebate – Individuals (excl. trusts)		10 260	9 756
• Additional rebate – Persons over 65		5 675	5 400
Deduction			
• Medical expenses			
Under 65		(i)	
Over 65 & disabled persons		Fully deductible	
• Pension contributions		(ii)	
• Retirement annuity contributions		(iii)	
Exemptions			
• In respect of taxable interest		(iv)	
Under 65		22 300	21 000
Over 65		32 000	30 000
Tax threshold			
Under 65		57 000	54 200
Over 65		88 528	84 200

Notes:

- Medical expenses: From 1 March 2010 taxpayers under 65 are entitled to a basic deduction for contributions by the taxpayer to a medical aid scheme of R670 (2010: R625) each for the taxpayer and R670 (2010: R625) for the first dependant, and R410 (2010: R380) for each additional dependant thereafter. Any portion of the contributions not allowed as part of the basic deduction, together with qualifying medical expenses, will be allowed as an additional deduction to the extent that it exceeds 7.5% of taxable income (before the medical deduction). Contributions by an employer to the medical aid scheme will go to reduce the deduction. (See also fringe benefits-medical aid).
- Pensions: A person's current year contributions, limited to the greater of R1 750 or 7.5% of retirement-funding remuneration, are tax deductible.
- Retirement annuities: A person's current year contributions are deductible, limited to the greater of R1 750, or R3 500 less the allowable deduction for contributions to a pension fund or, 15% of the taxpayer's taxable income (before certain deductions such as medical expenses are taken into account), excluding income from retirement-funding employment.
- Exemptions: A maximum exemption of R3 700 (2010: R3 500) out of the total exemption is available for foreign dividends and foreign interest.

Schedule of values for travelling allowances

From 1 March 2010 the 'deemed kilometres' option falls away and the taxpayer must maintain a record reflecting details of business and total kilometres travelled in order to substantiate any deduction against a travel allowance. **Go to www.gt.co.za to download your copy of our log book.**

Value of the vehicle (incl. VAT) (R)	Fixed Cost (R)	Fuel Cost (c)	Maintenance Cost (c)
0 – 40 000	14 672	58.6	21.7
40 001 – 80 000	29 106	58.6	21.7
80 001 – 120 000	39 928	62.5	24.2
120 001 – 160 000	50 749	68.6	28.0
160 001 – 200 000	63 424	68.8	41.1
200 001 – 240 000	76 041	81.5	46.4
240 001 – 280 000	86 211	81.5	46.4
280 001 – 320 000	96 260	85.7	49.4
320 001 – 360 000	106 367	94.6	56.2
360 001 – 400 000	116 012	110.3	75.2
Exceeding 400 000	116 012	110.3	75.2

Source: SARS

Notes:

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.

From **1 March 2010**, 80% of the travel allowance is subject to PAYE (pay as you earn).

Alternatively:

- Where the distance travelled for business purposes does not exceed 8 000 kilometres per annum, no tax is payable on an allowance paid by an employer to an employee, up to the rate of 292 cents per kilometre regardless of the value of the vehicle
- This alternative is not available if other compensation in the form of an allowance or reimbursement is received from the employer in respect of the vehicle.

Fringe benefits tax - company cars

Scale of taxable benefits - employer owned vehicles

- Taxable value is 2.5% of the determined value (usually the cash cost excluding VAT) per month (to be reviewed)
- Where a second (and further) vehicle is made available to an employee or his or her family, and the vehicle is not used primarily for business purposes, the benefit is:
 - 2.5% per month on the vehicle with the highest value; and
 - 4% per month on the remaining vehicle/s
- Where the employee bears the cost of all fuel used for the purposes of the private use of the vehicle (including travelling between the employee's place of residence and his or her place of employment) the monthly percentage to be applied is reduced by 0,22 percentage points
- If the employee bears the full cost of maintaining the vehicle (including the cost of repairs, servicing, lubrication and tyres) the monthly percentage to be applied is reduced by 0,18 percentage points.

Fringe benefits - medical aid contributions

From **1 March 2010** contributions paid by an employer to an employee's medical aid scheme, up to a maximum of **R670** (2010: R625) per month for the employee, **R670** (2010: R625) per month for his first dependant and **R410** (2010: R380) per month for each additional dependant thereafter, are not taxed in the hands of an employee. Employer contributions exceeding the above limits are treated as a fringe benefit attracting PAYE and will rank together with other qualifying medical expenses as a deduction (see tax rebates and deductions - individuals).

Exchange control - individuals

Foreign travel allowances per person per calendar year

Visits abroad

A travel allowance of **R750 000** (previously R500 000) is granted per individual. Greater amounts may be granted if warranted - requires a special application.

The allowance may be taken in any form, i.e. cash (foreign), traveller's cheques or credit cards.

Investment allowance

A once-off investment allowance of **R4 million** (previously R2 million) is granted per individual to invest abroad.

Estate duty (Rate - 20%)

Tax base

- All property at date of death
- Non-resident - property in South Africa.

Deductions

- Liabilities at date of death (including CGT due on death)
- Bequests to charitable, educational and religious institutions within South Africa
- Property accruing (including bequests) to a surviving spouse.

Abatement

- Estate duty abatement R3,5 million. The unutilised portion can be carried over to the surviving spouse with a combined limit of R7 million.

Community of property marriages

Only half of the joint estate is brought to account (to be reviewed).

Donations tax (Rate - 20%)

On whom levied

Donations made by South African resident individuals and companies. All donations of foreign property by a South African resident are subject to donations tax.

Main exemptions

- Donations between spouses
- Donations to approved scientific, cultural, educational or religious institutions
- First R100 000 per year of assessment (natural persons only)
 - a husband and wife are each entitled to this exemption
- Bona fide maintenance payments
- Casual gifts by a donor other than a natural person - maximum R10 000 per tax year.

Capital gains tax

Effective 1 October 2001

Tax base

- Residents - disposal of assets worldwide (sale, death, emigration and donations)
- Non-residents - disposal of business assets of a permanent establishment in South Africa, fixed property and certain shares in companies owning fixed properties
- Gains/losses made on the sale of shares held longer than 3 years treated as capital gains or losses.

Capital gains tax (c'td)

Deductions and exemptions

- Value of assets at 1 October 2001 or cost of assets acquired thereafter
- On a primary residence - R1,5 million of the gain is exempt in respect of properties sold for more than R2 million. There is a full exemption for property sold for R2 million or less, subject to certain conditions
- For a natural person: R17 500 (in the year of death: R120 000)
- For special trusts: R17 500
- Capital losses brought forward.

Exclusions

- Personal-use assets
- Domestic insurance and endowment policy pay-outs - to original beneficial owner or dependant only
- Compensation for injury, illness or defamation
- Retirement benefits.

Roll-over relief

- Involuntary disposal of business assets through expropriation, loss, destruction or damages with reinvestment in similar business capital assets
- Transfers between spouses
- Certain group reorganisation and asset-for-share exchanges.

Effective capital gains tax rates

Taxpayer	Maximum effective rate (%)
Individuals and special trusts	10.0
Other trusts	20.0
Companies	
• Ordinary	14.0
• Branch of foreign company	16.5
• Personal service provider company	16.5
Life assurers	
• Individual policyholder fund	7.5
• Company policyholder fund	14.0
• Untaxed policyholder fund	0.0
• Corporate fund	14.0

Transfer duty

Rates of transfer duty for individuals

Property value	Rates of tax
R0 – R500 000	0%
R500 001 – R1 000 000	5% on the value above R500 000
R1 000 001 and above	R25 000 plus 8% on the value above R1 million

- Acquisitions of property by persons other than natural persons - 8% of the value.

Companies - tax rates

Normal tax

2011

Type of income	Rate of tax (%)
Gold mining (i)	
Long-term insurance	
• Individual policyholder fund	30
• Company policyholder fund and corporate fund	28
• Untaxed policyholder fund	0
Small business corporation	
• R0 – R57 000	0
• R57 001 – R300 000	10 above R57 000
• R300 001 and above	R24 300 + 28 above R300 000
Personal service provider company	33
All other income (ie "ordinary" companies)	28
Foreign resident companies which trade in South Africa through a branch/agency (iii)	33

Secondary tax on companies (STC) (ii), (iii), (iv)

On dividends declared	(%)
• Until 1 October 2007	12.5
• On or after 1 October 2007	10.0

Notes:

- Rate is determined according to a formula.
- The tax rate is applied to the net amount, being dividends declared less all dividends (except taxable foreign dividends if applicable) receivable during the "dividend cycle".
- South African branches of foreign resident companies are exempt from STC.
- STC is to be replaced with a dividends tax which will be levied at the rate of 10% on all dividends paid by companies with effect from a date to be determined by the Minister of Finance.
- A simplified turnover based presumptive tax system (which is elective and applies to years of assessments commencing on or after 1 March 2009) has been implemented for certain businesses with a turnover of up to R1 million per year.

Turnover tax for micro businesses

Turnover (R)	Tax liability
0 – 100 000	0%
100 001 – 300 000	1% of each rand R1 above R100 000
300 001 – 500 000	R2000 + 3% of the amount above R300 000
500 001 – 750 000	R8 000 + 5% of the amount above R500 000
750 001 – 1 000 000	R20 500 + 7% of the amount above R750 000

Capital allowances – straight line basis

Heading

Heading	(%)
Factory plant	
Brought into use 1 July 1995 to 30 Sept 1999 - new	33 ^{1/3} %
Brought into use on or after 1 March 2002 - new & unused	
• First year	40%
• Years 2 to 4	20% p.a.
Other	20% p.a.
Factory buildings	
Erected during 1 July 1996 to 30 Sept 1999	10% p.a.
Other	5% p.a.
Urban development zones	
New commercial and residential buildings	
• First year	20%
• Thereafter	8% p.a.
Refurbishment of commercial and residential buildings	20% p.a.
Research and development expenditure	
• Current research and development expenditure	150%
• Capital expenditure on research and development	50% 30% 20%
Small business corporations (i)	
Manufacturing plant	100%
Other assets	50% 30% 20%
Computers	
Computers (mainframe)	20% p.a.
Computers (personal computers)	33 ^{1/3} % p.a.
Computers software (mainframes)	
• Purchased	33 ^{1/3} % p.a.
• Self developed	100%
Computers software (personal computers)	50% p.a.
Vehicles	
Delivery vehicles	25% p.a.
Passenger vehicles	20% p.a.
Trucks (heavy duty)	33 ^{1/3} % p.a.
Trucks (other)	25% p.a.
Other	
Furniture & fittings	16 ^{2/3} % p.a.
Telephone equipment	20% p.a.
Photocopying equipment	20% p.a.
Commercial buildings	
Commercial buildings (newly constructed and upgraded)	5% p.a.
Water pipelines	
Water pipelines for electrical power generation	5% p.a.

Note:

(i) Small business corporations are eligible for the general depreciation regime available to other taxpayers if desired.

Value-added tax

Standard rate of 14% since 7 April 1993

Registration threshold

	Total value of taxable supplies for any 12 month period
Compulsory	R1 million (previously R300 000)
Voluntary – 1 March 2010	R50 000 (previously R20 000)

Frequency of returns

Months	Total value of taxable supplies for any 12 month period
Bi-monthly	Up to R29 999 999
Monthly	From R30 million
4 monthly	Up to R1.5 million (only for small businesses)
6 monthly	Up to R1.5 million (only for farming businesses)
Annually	Only for inter group letting or administration companies or trust funds



Other taxes, duties and levies

Securities Transfer Tax (STT)

The tax was imposed from 1 July 2008 at a rate of 0.25% on the transfer of shares in companies incorporated in South Africa (listed and unlisted) and foreign companies listed on the South African stock exchange. STT is also payable on the transfer of a member's interest in a close corporation.

Skills Development Levy (SDL)

Payable at 1% of payroll (employers paying annual remuneration of less than R500 000 are exempt from SDL from 1 August 2005).

Unemployment Insurance Fund (UIF)

- Contributions are based on "remuneration" as defined for PAYE purposes
- Rate of contribution is 1% by the employer and 1% by the employee, and the employer is obliged to withhold the employee's contribution and pay both amounts to SARS
- The maximum contribution is R249.56 i.e. where any employee earns more than R12 478 per month, the contribution is payable only on the first R12 478 and the balance is not subject to the contribution.

Withholding tax on royalties

Royalty payments to non-residents are subject to a final withholding tax of 12% (or a rate determined in a relevant agreement for the avoidance of double taxation).

Other tax proposals

Voluntary disclosure

The proposed Voluntary Disclosure Programme is an arrangement under which taxpayers are encouraged to disclose their defaults and regularise their tax affairs. It is proposed that the programme's period will extend from 1 November 2010 to 31 October 2011 and that it may also apply to certain Exchange Control contraventions. Although the full amount of tax due will remain payable, it is proposed that penalties could be waived and the interest charge could be reduced.

Motor vehicle emission tax

A motor vehicle carbon emission tax is proposed on new passenger cars from 1 September 2010. It is proposed to take the form of a flat rate CO₂ tax that will be levied on the retail price of new passenger vehicles. The proposed rate of tax is R75 per certified gram of CO₂ emissions per kilometer above 120 grams per kilometer. This emissions tax will be in addition to the current ad valorem luxury tax on new vehicles and will replace the proposals put forward in 2009. The tax will be extended to commercial vehicles in the future.

Source: SARS

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