Grant Thornton

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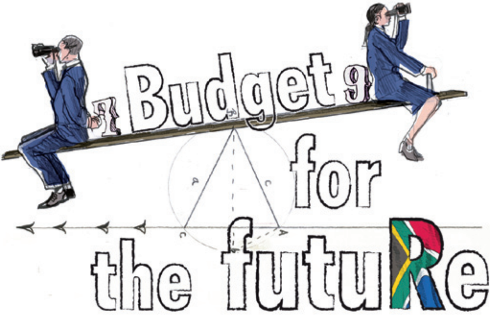
Tax data card 2012/2013



Contents

Red text denotes changes as at 22 February 2012

Interest rates

Effective date	A %	B %	C %	D %
01/03/07	8.0	12.0	10.0	12.5
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	"
26/03/10	"	"	"	10.0
01/07/10	5.5	9.5	"	"
10/09/10	"	"	"	9.5
01/10/10	"	"	7.0	"
19/11/10	"	"	"	9.0
01/03/11	4.5	8.5	6.5	"

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 The official rate of interest for purposes of tax on fringe benefits is 100 bases points above the repo rate.
D Prime bank overdraft rates.

Tax rates - individuals and trusts

1 March 2012 to 28 February 2013

Individuals and special trusts

Taxable income (R)	(R + %)	Rate of tax (R)	
0 – 160 000	18%	of taxable income	
160 001 – 250 000	28 800 + 25%	of taxable income above 160 000	
250 001 – 346 000	51 300 + 30%	of taxable income above 250 000	
346 001 – 484 000	80 001 + 35%	of taxable income above 346 000	
484 001 – 617 000	128 400 + 38%	of taxable income above 484 000	
617 000 and above	178 940 + 40%	of taxable income above 617 000	
Trusts other than special trusts		40% of each R1	
Tax rebates and deductions		**2013**	**2012**
Rebates		R	R
• Primary rebate – Individuals (excl. trusts)		11 440	10 755
• Additional rebate – Persons over 65		6 390	6 012
• Tertiary – Persons over 75		2 130	2 000
Deductions and credits			
• Medical expenses/credits			
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		22 800	22 800
Over 65		33 000	33 000
Tax threshold			
Under 65		63 556	59 750
Over 65 – 74		99 056	93 150
75 and over		110 889	104 261

Notes:

i) Contributions made to a medical aid by an employer on behalf of an employee represent a taxable fringe benefit. From 1 March 2012 the medical deductions and credits allowed on assessment are as follows:

Taxpayers 65 and older

A person that is 65 or older is entitled to a full deduction in respect of contributions made by himself and/or his employer on his behalf to a medical aid as well as all qualifying medical expenditure that is not recovered from his medical aid. No medical credits are granted to such taxpayers.

Taxpayers below the age of 65

Taxpayers who are members of a medical aid will be granted a monthly "tax credit" of:

- R 230 each for the taxpayer and his/her first dependant; and
- R 154 for each additional dependant.

The credits, which operate in the same way as rebates, will be deducted from the taxpayer's liability for tax but cannot create a tax refund. Contributions to a medical aid scheme made by a taxpayer, or by an employer on his behalf, that exceed four times the tax credits will, together with any qualifying medical expenditure that is not recovered from his medical aid, be treated as a tax deduction, to the extent that the amount exceeds 7,5% of the taxpayer's taxable income.

Tax rates - individuals and trusts cont...

PAYE
Where an employer effects payment of the medical scheme fees, the tax credits must be taken into account by the employer in the calculation of PAYE. However, where such payment is not effected by the employer, it must obtain proof of such payments in order to take the credits into account for PAYE purposes.

ii) Pensions: A person's current year contributions, limited to the greater of R1 750 or 7.5% of retirement-funding remuneration, are tax deductible.
iii) 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.
iv) Exemptions: A maximum exemption of R3 700 (2011: R3 700) out of the total exemption is available for foreign dividends and foreign interest.

Schedule of values for travelling allowances

Taxpayers must maintain a record reflecting details of business and total kilometres travelled in order to substantiate any deduction against a travel allowance.

Value of the vehicle (incl. VAT) (R)	Fixed Cost (R)	Fuel Cost (c)	Maintenance Cost (c)
0 – 60 000	19 492	73.7	25.7
60 001 – 120 000	38 726	77.6	29.0
120 001 – 180 000	52 594	81.5	32.3
180 001 – 240 000	66 440	89.6	36.9
240 001 – 300 000	79 185	102.7	45.2
300 001 – 360 000	91 873	117.1	53.7
360 001 – 420 000	105 809	119.3	65.2
420 001 – 480 000	119 683	133.6	68.3
Exceeding 480 000	119 683	133.6	68.3

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.

80% of the travel allowance is subject to PAYE, unless the employer is satisfied that at least 80% of the use of the motor vehicle will be for business purposes in which case the percentage is reduced to 20%.

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 316 cents (2012: 305 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

Company cars will be subject to tax based on a fringe benefit of 3,5% per month of the determined value of the vehicle (3,25% if the car is subject to a maintenance plan). The determined value is normally the cash cost of the vehicle including VAT.

There is a reduction in the fringe benefit on assessment for business use, provided accurate records of the business mileage have been maintained. The reduction is calculated by applying the ratio of business kilometres to total kilometres for the year, to the fringe benefit.

Where an employee bears the full amount of one or more costs in respect of the licence, insurance or maintenance, the fringe benefit is further reduced by an amount that is determined by applying the ratio of private kilometres to total kilometres for the year, to the actual cost borne (provided the employee keeps accurate records of private kilometres travelled).

Where the employee bears the full cost of fuel for private purposes, the fringe benefit is further reduced by an amount that is determined by multiplying the private kilometres travelled by the applicable rate published in the Government Gazette (provided the employee keeps accurate records of private kilometres travelled).

The employer must deduct PAYE on 80% of the fringe benefit unless he is satisfied that at least 80% of the employee's travel is for business purposes, in which case the PAYE deduction is based on 20% of the benefit.

Exchange control - individuals

The Treasury has published revised exchange control amounts which consolidate the investment allowance of R4 million per annum and the travel, holiday, alimony allowances etc. of R1 million per annum, into an annual allowance of R5 million which does not require exchange control approval.

Furthermore, the South African Reserve Bank will now consider investments by residents (and estates) for applications in excess of the R5 million allowance, subject to appropriate disclosure requirements (on foreign assets and income), tax compliance and market conditions.

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.

Donations tax (rate - 20%)

On whom levied

Donations made by South African resident individuals and companies.

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

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.

Deductions and exemptions

- Value of assets at 1 October 2001 or cost of assets acquired thereafter
- On a primary residence - R2 million (2011: R1,5 million) of the gain/loss on the disposal of a primary residence.
- For a natural person: annual exclusion of R30 000 (2011: R20 000) – in the year of death: R300 000 (2011: R200 000)
- For special trusts: annual exclusion of R30 000 (2011: R20 000)
- Small business (market value of less than R10 million) exclusion for individuals aged 55 years and older: R1,8 million (2011: R900 000)

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 (%)	
	2013	**2012**
Individuals and special trusts	13.3	10
Other trusts	26.7	20
Companies		
• Ordinary	18.6	14
• Branch of foreign company	18.6	16.5
• Personal service provider company	18.6	16.5

Transfer duty

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

Property value	Rates of tax
R0 – R600 000	0%
R600 001 – R1 000 000	3% on the value above R600 000
R1 000 001 – R1 500 000	R12 000 plus 5% on the value above R1 million
R1 500 001 and above	R37 000 plus 8% of the value above R1 500 000

Companies - tax rates

Normal tax		**2013**
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 – R63 556		0%
• R63 557 – R350 000		7% above R63 556
• R350 001 and above	R20 051 +	28% above R350 000
Personal service provider company		28%
All other income (i.e. “ordinary” companies)		28%
Foreign resident companies which trade in South Africa through a branch/agency (iii)		28%

** Applies for years of assessment ending on or after 1 April 2012*

Secondary tax on companies (STC) (ii), (iii), (iv) & Dividends tax	
On dividends declared	**(%)**
• Until 1 October 2007 (STC)	12.5
• On or after 1 October 2007 (STC)	10.0
• On or after 1 April 2012 (Dividends tax)	15.0

Notes:

i) Rate is determined according to a formula.
ii) 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”.
iii) South African branches of foreign resident companies are exempt from STC.
iv) STC is to be replaced with a dividends tax which will be levied at the rate of 15% on all dividends paid by companies with effect from 1 April 2012.
v) A simplified turnover based presumptive tax system applies to micro businesses with a turnover of up to R1 million per year.

Turnover tax for micro businesses*

Turnover (R)	**Tax liability**
0 – 150 000	0%
150 001 – 300 000	1% of each rand R1 above R150 000
300 001 – 500 000	R1500 + 2% of the amount above R300 000
500 001 – 750 000	R5 500 + 4% of the amount above R500 000
750 001 and above	R15 500 + 6% of the amount above R750 000

** Applies for years of assessment ending on or after 1 April 2012*

Capital allowances – straight line basis

	Rate of tax (%)
Factory plant	
Brought into use on or after 1 March 2002 - new & unused	
• First year	40
• Years 2 to 4	20 pa
Other	20 pa
Factory buildings	
Erected after 30 Sept 1999	5 pa
Urban development zones	
New commercial and residential buildings	
• First year	20
• Thereafter	8 pa
Refurbishment of commercial and residential buildings	20 pa
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 pa
Computers (personal computers)	$33^{1/3}$ pa
Computers software (mainframes)	
• Purchased	$33^{1/3}$ pa
• Self developed	100
Computers software (personal computers)	50 pa
Vehicles	
Delivery vehicles	25 pa
Passenger vehicles	20 pa
Trucks (heavy duty)	$33^{1/3}$ pa
Trucks (other)	25 pa
Other	
Furniture & fittings	$16^{2/3}$ pa
Telephone equipment	20 pa
Photocopying equipment	20 pa
Commercial buildings	
Commercial buildings (newly constructed and upgraded)	5 pa
Water pipelines	
Water pipelines for electrical power generation	5 pa

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
Voluntary	R50 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)

Payable 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.

The blanket exemption for brokers has been abolished. Where beneficial ownership rests with the broker, shared transfer is now taxed at an appropriate lower rate.

Skills Development Levy (SDL)

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

Unemployment Insurance Fund (UIF)

Rate of contribution is 1% by the employer and 1% by the employee, based on remuneration below a certain amount.

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).

Green taxes

Carbon emissions tax

A draft policy paper will be published during 2012 for comments on a modest carbon tax to price carbon dioxide emissions. It will encourage an uptake of cleaner-energy technologies, energy-efficiency measures and research and development of low-carbon options.

Motor vehicle emission tax

Motor vehicle emission tax is levied at a flat rate, on the retail price of new passenger vehicles. The rate is R75 per certified gram of CO^2 emissions per kilometre above 120 grams per kilometre. The emissions tax is levied in addition to the current ad valorem luxury tax on new vehicles.

Customs and Excise

Excise duties ("sin taxes")

Product	Current rate (R)	New rate (R)	% Change
African beer	7.82/li	7.82/li	0.00
Unfortified wine	2.32/li	2.50/li	7.76
Fortified wine	4.33/li	4.59/li	6.00
Sparkling wine	6.97/li	7.53/li	8.03
Ciders / alcoholic fruit beverages	2.71/li	2.97/li	9.59
Spirits	93.03/li aa	111.64/li aa	20.00
Cigarettes	9.74/20	10.32/20	5.95
Cigarette tobacco	10.53/50g	11.05/50g	4.94
Pipe tobacco	2.98/25g	3.22/25g	8.05
Cigars	50.52/23g	53.05/23g	5.01

Fuel taxes

The following increases are effective from 4 April 2012	
General fuel levy (petrol & diesel)	20c/li
Road Accident Fund levy (petrol & diesel)	8c/li

Ad valorem excise duties

From 1 October 2012, the following new ad valorem tax in terms of Schedule No 1, Part 2B will apply to the following items:

- Aeroplanes and helicopters with a mass exceeding 450kg but less than 5 000kg at 7%
- Motorboats and sailboats longer than 10m at 10%.

Source: SARS

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