

# TAX 2021 / 22

ON A PATH OF  
**RENEWAL  
& GROWTH**



**NGUBANE**  
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*...Making you growth our Business*

# BUDGET 2021/2022

## 2021/2022 HIGHLIGHTS



### Personal Income Tax

Relief through an above inflation increase in the brackets and rebates



### Unemployment Insurance Fund contributions

UIF contribution ceiling increased to R17 712 per month



### Venture Capital Company tax incentive

No extension of the incentive after 30 June 2021



### Fuel levy

Increases of 26c per litre to the fuel levy, which consists of a 15c per litre increase in the general fuel levy and a 11c per litre increase in the RAF levy



### Excise duties

Increase in excise duties on alcohol and tobacco by 8 per cent



### Plastic bag levy

Levy will be reduced by 12.5c per bag for bio-based plastic bags

## INDIVIDUAL INCOME TAX

### RATES

YEAR OF ASSESSMENT ENDING 28 February 2022

YEAR OF ASSESSMENT ENDING 28 February 2021

#### TAXABLE INCOME

R0 - R216 200

R216 201 - R337 800

R337 801 - R467 500

R467 501 - R613 600

R613 601 - R782 200

R782 201 - R1 656 600

R1 656 601 +

#### RATES OF TAX

18% of each R1

R38 916 + 26% of taxable income above R216200

R70 532 + 31% of taxable income above R337 800

R110 739 + 36% of taxable income above R467 500

R163 335 + 39% of taxable income above R613 600

R229 089 + 41% of taxable income above R782 200

R587 593 + 45% of taxable income above R1 656 600

#### TAXABLE INCOME

R0 - R205 900

R205 901 - R321 600

R321 601 - R445 100

R445 101 - R584 200

R584 201 - R744 800

R744 801 - R1 577 300

R1 577 301 +

#### RATES OF TAX

+18% of each R1

R37 062 + 26% of taxable income above R205 900

R67 144 + 31% of taxable income above R321 600

R105 429 + 36% of taxable income above R445 100

R155 505 + 39% of taxable income above R584 200

R218 139 + 41% of taxable income above R744 800

R559 464 + 45% of taxable income above R1 577 300

REBATES	2021/22	2020/21
Primary	R15 714	R14 958
Secondary (65 years and older)	R8 613	R8 199
Secondary (65 years and older)	R2 871	R2 736

TAX THRESHOLDS	2021/22	2020/21
Below 65	R 87 300	R 83 100
65 to below 75 years	R135 150	R128 650
75 years and older	R151 100	R143 850

INTEREST EXEMPTIONS	2021/22	2020/21
Below 65	R 23 800	R 23 800
65 years and older	R 34 500	R 34 500

### RETIREMENT FUND LUMP SUM - WITHDRAWAL BENEFITS

BENEFITS	RATE OF TAX
R0 - R25 000	0%
R25 001 - R660 000	18% of each R above R25 000
R660 001 - R990 000	R114 300 + 27% of each R above R660 000
R990 001+	R203 400 + 36% of each R above R990 000

### RETIREMENT FUND LUMP SUM - RETIREMENT BENEFITS

BENEFITS	RATE OF TAX
R0 - R500 000	0%
R500 001 - R700 000	18% of each R above R500 000
R700 001 - R1 050 000	R36 000 + 27% of each R above R700 000
R1 050 001+	R130 500 + 36% of each R above R1 050 000

### DEDUCTIONS - MEDICAL AND DISABILITY EXPENSE

Monthly "tax credit" in respect of medical scheme contributions:

	2021/ 22	2020/ 21
Taxpayer +	R332	R319
First dependant	R664	R638
Each additional dependant	R224	R215

### TAX CREDIT IN RESPECT OF OTHER MEDICAL EXPENSES:

	ANUAL REBATE 2021/ 22	ANUAL REBATE 2020/ 21
65 years and older or disabled	33,3% of medical scheme contributions in excess of 3x medical scheme rebate and 33,3% of other expenses	33,3% of medical scheme contributions in excess of 3x medical scheme rebate and 33,3% of other expenses
All other under 65s	25% of aggregate of medical scheme contributions in excess of 4x medical scheme rebate and other expenses	25% of aggregate of medical scheme contributions in excess of 4x medical scheme rebate and other expenses

# COMPANIES TAX

## COMPANY TAX RATES

	2021/22	2020/21
Normal income tax	28%	28%

## SMALL BUSINESS CORPORATION

TAXABLE INCOME	RATES OF TAX
R0 - R87 300	0%
R87 301 - R365 000	7% of each R above R87 300
R365 001 - R550 000	R19 439 + 21% of each R above R365 000
R550 001+	R58 289 + 28% of each R above R550 000

## TURNOVER TAX FOR MICRO BUSINESSES

TAXABLE INCOME	RATES OF TAX
R0 - R335 000	0%
R335 001 - R500 000	1% of each R above R335 000
R500 001 - R750 000	R1 650 + 2% of each R above R500 000
R750 001 - R1 000 000	R6 650 + 3% of each R above R750 000

# TRUSTS

TYPE OF TRUST	INCOME TAX RATES	CAPITAL GAINS TAX INCLUSION RATE
Normal Trust	45%	80%
Special Trust	Same as those applicable to natural persons	40%

# FRINGE BENEFITS

## TRAVEL ALLOWANCE

INCLUSIONS IN MONTHLY "REMUNERATION"	2021/22	2020/21
Standard inclusion rate	80%	80%
If business travel > 80%	20%	20%

## DEEMED COST PER KILOMETRE

VALUE OF VEHICLE (INCL. VAT)	FIXED COST R P.A	FUEL COST C/KM	MAINTENANCE COST C/ KM
R0 -R 95 000	29 504	104.1	38.6
R95 001 - R190 000	52 226	116.2	48.3
R190 001 - R285 000	75 039	126.3	53.2
R285 001 - R380 000	94 871	135.8	58.1
R380 001 - R475 000	114 781	145.3	68.3
R475 001 - R570 000	135 746	166.7	80.2
R570 001 - R665 000	156 711	172.4	99.6
R665 001+	156 711	172.4	99.6

## RIGHT OF USE OF COMPANY CAR

INCLUSIONS IN MONTHLY "REMUNERATION"	2021/22	2020/21
Standard inclusion rate	80%	80%
If business travel > 80%	20%	20%

If the following criteria are met, no employees' tax is payable on a reimbursive travel allowance:

CONDITIONS	2021/22	2020/21
Maximum distance travelled for business per annum	Unlimited	Unlimited
Maximum rate per kilometre paid (cents)	382	398

\* This alternative rate is not available if compensation of an allowance or reimbursement is received (other than parking or toll fees)

#### Company car - private use of employer-owned vehicle:

TAXABLE BENEFIT PER MONTH	Taxable %
Maximum distance travelled for business per annum	3.5%
Maximum rate per kilometre paid (cents)	3.25%

#### SUBSISTENCE ALLOWANCES AND ADVANCES

COSTS	2021/22	2020/21
Meals and incidental costs (in SA)	R452 per day	R452 per day
Incidental costs only (in SA)	R139 per day	R139 per day
Accommodation outside SA	As per SARS website	

## CAPITAL GAINS TAX

#### INCLUSION RATES

PERSON	2021/22	2020/21
Natural person and special trust	40%	40%
Company	80%	80%
Normal Trust	80%	80%

#### EXCLUSIONS

	2021/22	2020/21
Primary residence	R2 million	R2 million
Annual exclusion (Individuals & special trusts)	R40 000	R40 000
Year of death	R300 000	R300 000
Small business exclusion for individuals over 55 years	R1.8 million	R1.8 million

## DIVIDENDS

	2021/22	2020/21
Withholdings tax	20%	20%

## VAT

#### RATE

	2021/22	2020/21
Rate	15%	15%

#### REGISTRATION THRESHOLD

CONDITIONS	2021/22	2020/21
Compulsory	R1 million	R1 million
Voluntary	R50 000	R50 000

## DONATIONS TAX

### RATES

	2021/22	2020/21
First R30 million	20%	20%
Above R30 million	25%	25%

### EXEMPTIONS

	2021/22	2020/21
Natural Persons	R100 000	R100 000
Companies (not considered to be public companies)	R10 000	R10 000

## ESTATE DUTY

	2021/22	2020/21
First R30 million	20%	20%
Above R30 million	25%	25%

	2021/22	2020/21
Estate duty abatement	R3.5 Million	R3.5 Million

## TRANSFER DUTY ON IMMOVABLE PROPERTY

VALUE OF PROPERTY	RATE OF DUTY
R0 - R1 000 000	0%
R1 000 001 - R1 375 000	3% of the value above R1 000 000
R1 375 001 - R1 925 000	R11 250 + 6% of the value above R 1 375 000
R1 925 001 - R2 475 000	R44 250 + 8% of the value above R 1 925 000
R2 475 001 - R11 000 000	R88 250 + 11% of the value above R2 475 000
R11 000 001 +	R1 026 000 + 13% of the value exceeding R11 000 000

## WITHHOLDINGS TAX - NON-RESIDENTS

### PAYMENTS TO NON-RESIDENTS

VALUE OF PROPERTY	2021/22	2020/21
Dividends	20%	20%
Interest	15%	15%
Royalties	15%	15%
Foreign entertainers and sportspersons	15%	15%
Capital Gains Tax		
- Natural person	7.5%	7.5%
- Company	10%	10%
- Trust	15%	15%



## SUNDRY TAXES

### SKILLS DEVELOPMENT LEVY

	2021/22	2020/21
Rates	1%	1%
Annual threshold	500 000	500 000

### UNEMPLOYMENT INSURANCE FUND CONTRIBUTIONS

	2021/22	2020/21
Employer and employee contributions	1% + 1%	1% + 1%

### SECURITIES TRANSFER TAX

	2021/22	2020/21
Rate	0.25%	0.25%

## PENALTIES: ADMINISTRATIVE NON-COMPLIANCE

### PERCENTAGE BASED PENALTIES

TAX TYPE	PENALTY
Income Tax	10% under sec 35A
Provisional tax	10% on late or non-payment of provisional tax 20% if estimate has been understated
Employers' and employees' tax	10% if return has not been filed 10% if employee tax and/ or UIF has not been paid 10% if fringe benefits have not been indicated on employees' tax certificates
Value-Added tax	10% on late payment of VAT

### FIXED AMOUNT PENALTIES

ASSESSED LOSS/ TAXABLE INCOME FOR PRECEDING YEAR	MONTHLY PENALTY
Assessed loss	R250
R 0 - R 250 000	R250
R250 001 - R 500 000	R500
R500 001 - R 1 000 000	R1 000
R1 000 001 - R 5 000 000	R2 000
R5 000 001 - R10 000 000	R 4 000
R10 000 001 - R50 000 000	R8 000
R50 000 001+	R16 000

## UNDERSTATEMENT PENALTIES

BEHAVIOUR	STANDARD CASE	OBSTRUCTIVE OR REPEAT CASE	VOLUNTARY DISCLOSURE AFTER AUDIT NOTIFICATION	VOLUNTARY DISCLOSURE BEFORE AUDIT NOTIFICATION
Substantial understatement	10%	20%	5%	0%
Reasonable care not taken in completing return	25%	50%	15%	0%
No reasonable ground for tax position	50%	75%	5%	0%
Gross negligence	100%	125%	50%	5%
Intentional tax evasion	150%	200%	75%	10%

## INTEREST RATES

EFFECTIVE DATE	RATE	EFFECTIVE DATE	RATE	EFFECTIVE DATE	RATE
<b>LATE OR UNDERPAYMENTS OF TAX*</b>		<b>FRINGE BENEFITS - OFFICIAL RATE OF INTEREST**</b>		<b>OVERPAYMENTS OF TAX*</b>	
1.05.2016	10.25%	01.02.2016	7.75%	01.03.2016	5.75%
1.07.2016	10.50%	01.04.2016	8.00%	01.05.2016	6.25%
01.11.2017	10.25%	01.08.2017	7.75%	01.07.2016	6.50%
01.07.2018	10.00%	01.04.2018	7.50%	01.11.2017	6.25%
01.03.2019	10.25%	01.12.2018	7.75%	01.07.2018	6.00%
01.11.2019	10.00%	01.08.2019	7.50%	01.03.2019	6.25%
01.05.2020	9.75%	01.02.2020	7.25%	01.11.2019	6.00%
01.07.2020	7.75%	01.04.2020	6.25%	01.05.2020	5.75%
01.09.2020	7.25%	01.05.2020	5.25%	01.07.2020	3.75%
01.11.2020	7.00%	01.06.2020	4.75%	01.09.2020	3.25%
		01.08.2020	4.50%	01.11.2020	3.00%

\* Note - Subject to change in terms of the Public Finance Management Act 1 of 1999 rate

\*\* Note: Rates are subject to change when the SA Reserve Bank adjusts its inter-bank (REPO) rate



# TAX SEASON CALENDAR

## INCOME TAX RETURNS

	INDIVIDUAL	COMPANY	TRUST
Submitting tax returns manually	September	N/A	September
Non-provisional taxpayers filing via e-Filing	October	N/A	October
Provisional taxpayers filing via e-Filing	January	12 months after year-end	January

## PROVISIONAL TAX

	INDIVIDUAL	COMPANY	TRUST
First provisional tax	August	6 months after year-end	August
Second provisional tax	February	12 months after year-end	February
Third provisional tax	September	-6 months after year-end if year-end is not February -7 months after year-end if year-end is February	September

## VALUE-ADDED TAX

	INDIVIDUAL	COMPANY	TRUST
Submitting VAT returns manually	On or before the 25th of the month following the VAT period	On or before the 25th of the month following the VAT period	On or before the 25th of the month following the VAT period
Submitting VAT returns via e-Filing	On or before the end of the month following the VAT period	On or before the end of the month following the VAT period	On or before the end of the month following the VAT period

## PAYROLL TAX RETURNS

	INDIVIDUAL	COMPANY	TRUST
Annual Employer Reconciliation Declaration (EMP501) and Employee Income Tax certificates [IRP5/ IT3(a)]	May	May	May
Interim/ Bi-annual Employer Reconciliation Declaration and Employee Income Tax certificates [IRP5/ IT3(a)]	October	October	October
Monthly declaration (EMP201)	On or before the 7th of the month following the payroll month	On or before the 7th of the month following the payroll month	On or before the 7th of the month following the payroll month

The information contained in this booklet is a summary of our interpretation of the existing legislation and budget proposals. We suggest that you use this booklet as a guide, but that you consult us before taking any decisions based on the information contained herein. While every care was taken in preparing this booklet, we cannot accept responsibility of any nature whatsoever for any inaccuracies, errors or omissions.



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