

P6 ZAF

TAX RATES AND ALLOWANCES - JUNE AND DECEMBER 2014

The following tax rates and allowances are to be used in answering the questions.

Year ending 28 February 2014/31 March 2014

Rebates

Primary rebate	R12,080
Secondary rebate (over 65)	R6,750
Tertiary rebate (over 75)	R2,250

Interest exemption

Under 65	R23,800
Over 65	R34,500

Foreign dividend exemptions

Fully exempt where 10% or more of the equity shares and voting rights are held

Fully exempt where received by a company from a foreign company resident in the same country as the recipient

To the extent of any controlled foreign company inclusions (net of applicable foreign tax)

To the extent that the foreign dividend is from a company listed on the JSE

To the extent that the above do not apply

For individuals 25/40ths of the dividend is exempt

For companies 13/28ths of the dividend is exempt

Medical rebate rates

Single member	R242
Member plus one dependant	R484
Each subsequent dependant	R162

Trusts (other than a special trust)	40%
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Dividends Tax	15%
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Companies

Normal tax rate	28%
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Donations tax	20%
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Estate duty	20%
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Official rate of interest (assumed)	8%
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**Rates of normal tax payable by persons (other than companies)
for the year of assessment ended 28 February 2014**

Where the taxable income:

does not exceed R165,600	18 % of each R1 of the taxable income
exceeds R165,600 but does not exceed R258,750	R29,808 plus 25 % of the amount over R165,600
exceeds R258,750 but does not exceed R358,110	R53,096 plus 30 % of the amount over R258,750
exceeds R358,110 but does not exceed R500,940	R82,904 plus 35 % of the amount over R358,110
exceeds R500,940 but does not exceed R638,600	R132,894 plus 38 % of the amount over R500,940
exceeds R638,600	R185,205 plus 40 % of the amount over R638,600

**Tax rates for small business corporations for the
year of assessment ended 31 March 2014**

Where taxable income:

does not exceed R67,111	Nil
exceeds R67,111 but does not exceed R365,000	7 % of the amount over R67,111
exceeds R365,000 but does not exceed R550,000	R20,852 plus 21% of the amount over R365,000
exceeds R550,000	R59,702 plus 28% of the amount over R550,000

**Turnover tax rates for micro business corporations for
The year of assessment ending 31 March 2014**

Where taxable turnover:

does not exceed R150,000	Nil
exceeds R150,000 but does not exceed R300,000	1 % of the amount over R150,000
exceeds R300,000 but does not exceed R500,000	R1,500 plus 2% of the amount over R300,000
exceeds 500,000 but does not exceed R750,000	R5,500 plus 4% of the amount over R500,000
exceeds R750,000 but does not exceed R1,000,000	R15,500 plus 6% of the amount over R750,000

Car allowance

Maximum vehicle cost for actual expenses	R480,000
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Fringe benefit (company car)

Benefit percentage (where no maintenance plan exists)	3.5%
Benefit percentage (where maintenance plan exists)	3.25%
General business reduction: Benefit value x business kms / total kms (as per logbook)	
Private fuel reduction: Private fuel (R) x private kms / total kms (as per logbook)	
Private maintenance reduction: Private maintenance (R) x private kms / total kms (as per logbook)	

Subsistence allowances

Deemed expenditure for meals and incidental costs (per Government regulation) R319 per day (local travel)

Deemed expenditure for incidental costs only (per Government regulation) R98 per day (local travel)
Deemed expenditure for meals and incidental costs (foreign travel) - (per published tables) will be supplied in the question where relevant

Common capital allowances

New and unused manufacturing plant and equipment	40%/20%/20%/20%
Used or leased manufacturing plant and equipment	20% each year for five tax years

Small business corporation manufacturing plant and equipment	100%
Small business corporation (other assets) - unless wear & tear provides a greater deduction	50%/30%/20%

Wear & tear (based on Binding General Ruling 7) will be supplied in the question where relevant

Manufacturing building allowance (unless seller's rate supplied)	5%
New or unused commercial building (not manufacturing building)	5%

- No deduction where another section of the Act applies to the building
- Where part of a building is acquired, 55% of the acquisition price is "cost"
- Where an improvement to the building is acquired, 30% of the acquisition price of the improvement is "cost"

Research and development (R&D) expenditure	100%
Additional 50% on expenditure incurred if R&D project is approved by the Minister of Science and Technology and incurred for R&D after such approval	

Capital gains tax

Annual exclusion (while alive)	R30,000
Annual exclusion (in year of death)	R300,000
Primary residence exclusion	R2,000,000
(where proceeds are R2 million or less, the full gain is excluded for the portion of the property used for domestic purposes as a primary residence)	
Inclusion rate (natural persons)	33.3%
Inclusion rate (non-natural persons)	66.6%

Time apportioned base cost formula:

$$Y = B + [(P - B) \times N] / (T + N)$$

$$P = R \times B / (B + A)$$

Where deductible enhancement expenditure has been incurred after the valuation date, the time apportioned base cost formulae change to:

$$Y = B + [(P_1 - B_1) \times N] / (T + N)$$

$$P_1 = R_1 \times B_1 / (A_1 + B_1)$$

Travel allowance table for years of assessment commencing on or after 1 March 2013

Value of the vehicle (including VAT but excluding finance charges or interest)			Fixed cost	Fuel cost	Maintenance cost
R			R p.a.	c/km	c/km
0	-	60,000	19,310	81.4	26.2

60,001	-	120,000	38,333	86.1	29.5
120,001	-	180,000	52,033	90.8	32.8
180,001	-	240,000	65,667	98.7	39.4
240,001	-	300,000	78,192	113.6	46.3
300,001	-	360,000	90,667	130.3	54.4
360,001	-	420,000	104,374	134.7	67.7
420,001	-	480,000	118,078	147.7	70.5
Exceeds		480,000	118,078	147.7	70.5

Notes:

Where reimbursement is based on actual business kilometres travelled and no other compensation is paid to such employees and the kilometres travelled for business does not exceed 8,000, the prescribed rate is R3.24 per kilometre.

**Tax rates of normal tax retirement lump sum benefits
in respect of the year of assessment ended 28 February 2014**

Where taxable portion of lump sum:

does not exceed R315,000	Nil
exceeds R315,000 but does not exceed R630,000	18 % of each R1 over R315,000
exceeds R630,000 but does not exceed R945,000	R56,700 plus 27% of the amount over R630,000
exceeds R945,000	R141,750 plus 36% of the amount over R945,000

**Tax rates of normal tax withdrawal lump sum benefits
in respect of the year of assessment ended 28 February 2014**

Where taxable portion of lump sum:

does not exceed R22,500	Nil
exceeds R22,500 but does not exceed R600,000	18 % of each R1 over R22,500
exceeds R600,000 but does not exceed R900,000	R103,950 plus 27% of the amount over R600,000
exceeds R900,000	R184,950 plus 36% of the amount over R900,000