

# TAX GUIDE SUMMARY 2021

PROVIDED BY  
**counteractive**

## 🔗 INDIVIDUALS AND SPECIAL TRUSTS

TAXABLE INCOME (R)	RATE OF TAX (R)
0 – 205 900	18% of taxable income
205 901 – 321 600	37 062 + 26% of taxable income above 205 900
321 601 – 445 100	67 144 + 31% of taxable income above 321 600
445 101 – 584 200	105 429 + 36% of taxable income above 445 100
584 201 – 744 800	155 505 + 39% of taxable income above 584 200
744 801 – 1 577 300	218 139 + 41% of taxable income above 744 800
1 577 301 and above	559 464 + 45% of taxable income above 1 577 300

### TRUSTS OTHER THAN SPECIAL TRUSTS: RATE OF TAX 45%

REBATES	AGE	TAX THRESHOLD
Primary	Below age 65	R83 100
Secondary (Persons 65 and older)	Age 65 to below 75	R128 650
Tertiary (Persons 75 and older)	Age 75 and over	R143 850

## 🔗 PROVISIONAL TAX

A provisional taxpayer is any person who earns income by way of remuneration from an unregistered employer, or income that is not remuneration or an allowance or advance payable by the person's principal. An individual is not required to pay provisional tax if the individual does not carry on any business and the individual's taxable income –

- + will not exceed the tax threshold for the tax year; or
- + from interest, dividends, foreign dividends, rental from the letting of fixed property and remuneration from an unregistered employer will be R30 000 or less for the tax year.

Provisional tax returns showing an estimation of total taxable income for the year of assessment are required from provisional taxpayers.

Deceased estates are not provisional taxpayers.

## 🔗 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 - 95 000	31 332	105.8	37.4
95 001 - 190 000	55 894	118.1	46.8
190 001 - 285 000	80 539	128.3	51.6
285 001 - 380 000	102 211	138.0	56.4
380 001 - 475 000	123 955	147.7	66.2
475 001 - 570 000	146 753	169.4	77.8
570 001 - 665 000	169 552	175.1	96.6
exceeds 665 000	169 552	175.1	96.6

### NOTE:

- + 80% of the travelling allowance must be included in the employee's remuneration for 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.



# TAX GUIDE SUMMARY 2021

PROVIDED BY  
**counteractive**

## 🚧 INCOME TAX: COMPANIES

Financial years ending on any date between 1 April 2020 and 31 March 2021

TYPE	RATE OF TAX (R)
Companies	28% of taxable income

## 🚧 INCOME TAX: SMALL BUSINESS CORPORATIONS

Financial years ending on any date between 1 April 2020 and 31 March 2021

TAXABLE INCOME (R)	RATE OF TAX (R)
1 – 83 100	0% of taxable income
83 101 – 365 000	7% of taxable income above 83 100
365 001 – 550 000	19 733 + 21% of taxable income above 365 000
550 001 and above	58 583 + 28% of the amount above 550 000

## 🚧 TURNOVER TAX FOR MICRO BUSINESSES

Financial years ending on any date between 1 March 2020 and 28 February 2021

TAXABLE INCOME (R)	RATE OF TAX (R)
0 – 335 000	0% of taxable income
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

## 🚧 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.

## 🚧 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.

## 🚧 DONATIONS TAX

- + Donations tax is levied at a flat rate of 20% on the value of property donated. However, the amount of donations exceeding R30 million is taxed at a rate of 25%.
- + The first R100 000 of property donated in each year by an individual is exempt from donations tax.
- + In the case of a taxpayer who is not an individual, the exempt donations are limited to casual gifts not exceeding R10 000 per annum in total.
- + Dispositions between spouses and South African group companies and donations to certain public benefit organisations are exempt from donations tax.



# TAX GUIDE SUMMARY 2021

PROVIDED BY  
**counteractive**

**ACCOUNTING • TAXATION • CONSULTING**

## 🔌 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	RATE (R)
1 – 1 000 000	0%
1 000 001 – 1 375 000	3% of the value above R1 000 000
1 375 001 – 1 925 000	R11 250 + 6% of the value above R 1 375 000
1 925 001 – 2 475 000	R44 250 + 8% of the value above R 1 925 000
2 475 001 – 11 000 000	R88 250 + 11% of the value above R2 475 000
11 000 001 and above	R1 026 000 + 13% of the value exceeding R11 000 000

## 🔌 BUDGET HIGHLIGHTS

- + **Above inflation adjustment of tax brackets and rebates**, resulting in real personal income tax relief for individuals.
- + **General fuel levy** increases by 16 cents per litre, and the **road accident fund levy** increases by 9 cents per litre on 1 April 2020.
- + **Inflation adjustments** to transfer duty rate structure. No transfer duty is payable on the purchase of property up to a value of R1 million.
- + **Increased excise duties** on tobacco and alcohol.
- + **Allowable contributions to tax free savings accounts** increase to R36 000 per annum.
- + **Plastic bag levy** increases to 25 cents per bag.
- + Introduce sunset dates for **corporate tax incentives** and review incentives. Limit companies' use of assessed losses, and further limit their interest deductions.

### OUR SERVICES:

Accounting Services  
Financial Statements  
Tax Administration and Planning  
Salary Administration  
Secretarial Duties  
Business Coaching

### CONTACT US:

**J Swart**

Professional Accountant (SA)

021 851 6080

072 954 6240

[jaco@counteractive.co.za](mailto:jaco@counteractive.co.za)

[info@counteractive.co.za](mailto:info@counteractive.co.za)

[www.counteractive.co.za](http://www.counteractive.co.za)

### ADDRESS:

8 Melcksloot Village,  
De Beers Avenue, The Triangle  
Somerset West, 7130

### POSTAL

Postnet Suite 441  
Private Bag X15  
Somerset West, 7129

