

TAX SUMMARY AND GUIDE - 2018 TAX YEAR

MAXIMUM MARGINAL RATE OF TAX			
	<u>2017</u>		<u>2018</u>
Persons / Trusts	41%		45%
Maximum Rate at	R 701,300.00	R	1,500,000.00
REBATES			
	<u>2017</u>		<u>2018</u>
Natural Persons			
- Primary	R 13,500.00	R	13,635.00
- Age (Over 65)	R 7,407.00	R	7,479.00
- Age (Over 75)	R 2,466.00	R	2,493.00
Trusts	Nil		Nil
TAX THRESHOLDS			
Amounts that Taxable Income must equal before liability for Income Tax commences			
	<u>2017</u>		<u>2018</u>
Natural Persons			
- Under 65	R 75,000	R	75,750
- Over 65	R 116,150	R	117,300
- Over 75	R 129,850	R	131,150
MEDICAL EXPENSES			
Under 65 - Tax credits iro Medical Aid Scheme contributions + 25% of other qualifying expenditure in excess of 7.5% of taxable income			
Over 65 - 33.3 % of all qualifying expenditure + contributions exceeding 3x medical scheme credits			
PENSION, PROVIDENT FUND & RETIREMENT ANNUITY FUND CONTRIBUTIONS (1 March 2017)			
Contributions to pension, provident as well as retirement annuity funds is limited to 27.5% of the greater of remuneration used for PAYE purposes or taxable income			
The maximum deduction allowed per annum will be limited to R350,000			
Excess may be carried forward to following year of assessment			
TAX FREE SAVINGS ACCOUNT CONTRIBUTIONS			
The annual allowance for Tax Free Savings Accounts increased to R33,000.			
PROVISIONAL TAX			
Individuals earning income other than remuneration do not need to be registered for the purposes of provisional tax provided their taxable income is below the tax thresholds or;			
Taxable investment income is below 30,000			
INVESTMENTS			
- Local Interest Exemption			
Under 65 - R23,800 per annum			
Over 65 - R34,500 per annum			
- Dividends from Property Trust - fully taxable			
- Foreign interest - fully taxable			
- Foreign dividends - 36.6% taxable			
CAPITAL GAINS TAX - Effective date 1 October 2001			
- Residents are subject to tax on the disposal of their assets held worldwide, while non-residents will be taxed on the disposal of certain assets in RSA.			
<u>Inclusion rates: (1 March 2017)</u>			
- Natural persons & Special Trusts 40%			
Normal Trusts & Companies 80%			
<u>Exclusions are only applicable to Natural persons:</u>			
Primary residence exclusion R2,000,000 (1 March 2012)			
Annual exclusion R40,000 (1 March 2017)			
Annual exclusion on death R300,000 (1 March 2012)			
TRANSFER DUTY effective 1 March 2017			
<b>Natural and legal persons</b>			
- First R 900,000		0%	
- R 900,001 to R 1,250,000		3% on value between R900,000 & R1,250,000	
- R 1,250,001 to R 1,750,000		R10,500 + 6% on value between R1,250,000 & R1,750,000	
- R 1,750,001 to R 2,250,000		R40,500 + 8% on value between R1,750,000 and R2,250,000	
- R 2,250,000 to R10,000,000		R80,500 + 11% on the value between R2,250,000 and R10,000,000	
- R10,000,000 and above		R933,000 + 13% of the amount above R10,000,000	
MARKETABLE SECURITIES TAX			
The Rate of MST/UST is		0.25%	
DONATIONS			
Donations Tax Rate		20%	
Exempt Donations - R100,000.00 p.a. per natural person			

INCOME TAX RATES - 2018 TAX YEAR

NATURAL PERSONS					
Taxable Income			Rates		
R -	to	R 189,880	18% of each R 1.00		
R 189,881	to	R 296,540	R 34,178	+ 26% of the amount over R 189,880	
R 296,541	to	R 410,460	R 61,910	+ 31% of the amount over R 296,540	
R 410,461	to	R 555,600	R 97,225	+ 36% of the amount over R 410,460	
R 555,601	to	R 708,310	R 149,475	+ 39% of the amount over R 555,600	
R 708,310	to	R 1,500,000	R 209,032	+ 41% of the amount over R 708,310	
R 1,500,000	and above		R 533,625	+ 45% of the amount over R 1,500,000	
TRUST					
Taxable Income			Rates		
Inter-vivos & Testamentary Trusts			- 45% of Taxable Income		
Special Trusts			- Taxed on Individual rates (above)		
COMPANIES/CLOSE CORPORATIONS					
FINANCIAL YEARS ENDING AFTER 1 APRIL 2012					
<b>SMALL BUSINESS CORPORATIONS</b>			- 0% of Income up to R 75,750		
<b>qualifying factors i.e. turnover limited to R200,000, type of trade and no of staff etc</b>			- 7% of Income between R75,750 - R365,000		
			- R20,248 + 21% of Income between R365,001 and R550,000		
			- R59,098 + 28% of Income above R550,001		
<b>COMPANIES/CLOSE CORPORATIONS</b>			- 28% of taxable income		
<b>DIVIDEND WITHHOLDING TAX</b>			- 20% of Dividend Declared (From 22 February 2017)		
EXCHANGE CONTROL LIMITS					
OFFSHORE INVESTMENT - effective 1 April 2015					
The amount that <u>Natural Persons</u> can invest outside the Republic is					R10,000,000 p.a.
Conditions:					
- Must be over 18					
- Must be a registered taxpayer					
- Must get a Tax Clearance certificate from SARS					
The discretionary allowance may also be used without obtaining tax clearance					R1,000,000 p.a.
OTHER LIMITS - SUBJECT TO CHANGE					
- Adult	Discretionary allowance	R 1,000,000 p.a	- no categories - effective 01.04.2015		
- Under 18	Travel Allowance	R 200,000 p.a.	- effective 27.10.2010		
- Emigrant's Allowance		R 10,000,000 p.a.	- effective 01.04.2015		
ESTATES					
Estate Duty Rate	20%	(effective 1 October 2001)			
Basic Deduction	R 3,500,000	(effective 1 March 2007)			

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