The amendments mentioned in the budget include:

- An increase in the Income tax brackets and applicable rebates of 5.2%.
- Medical tax credits were increased by 2.9%.
- “Sin” taxes, as is the norm, have been increased – the increases vary but are on average 5.95%.
- The fuel and road accident fund levies have been increased by 16c and 9c per litre respectively.
- The annual tax-free savings limit increased by R3,000 to R36,000 – though the lifetime limit remains at R500,000.
- Increase in the transfer duty rate brackets.
- Limiting the use of assessed losses incurred by corporate tax entities.
- Increase in the income threshold applicable to expat taxes from R1m to R1.25m.

Overall the budget was a welcome surprise. South African taxpayers, who in the past have had to fund most of the poor decisions made by government, will welcome the reprieve. Tax is a necessary evil but, if Minister Mboweni can address wasteful expenditure and corruption, South African taxpayers may be less loath to part with their hard-earned cash. It is said that a goal without a plan is just a wish – the Minister has set his goal and laid out his plan to achieve this – now we must hope it does not turn out to be only a wish.
# 2020/2021 BUDGET HIGHLIGHTS FOR INDIVIDUALS

## TAX TABLES

<table>
<thead>
<tr>
<th>Taxable Income (R)</th>
<th>Rates of Tax</th>
<th>Taxable Income (R)</th>
<th>Rates of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>R0 – R195,850</td>
<td>18% of each R1</td>
<td>R0 – R205,900</td>
<td>18% of each R1</td>
</tr>
<tr>
<td>R195,851 – R305,850</td>
<td>R35,253 + 26% of the amount above R195,850</td>
<td>R205,901 – R321,600</td>
<td>R37,062 + 26% of the amount above R205,900</td>
</tr>
<tr>
<td>R305,851 – R423,300</td>
<td>R63,853 + 31% of the amount above R305,850</td>
<td>R321,601 – R445,100</td>
<td>R67,144 + 31% of the amount above R321,600</td>
</tr>
<tr>
<td>R423,301 – R555,600</td>
<td>R100,263 + 36% of the amount above R423,300</td>
<td>R445,101 – R584,200</td>
<td>R105,429 + 36% of the amount above R445,100</td>
</tr>
<tr>
<td>R555,601 – R708,310</td>
<td>R147,891 + 39% of the amount above R555,600</td>
<td>R584,201 – R744,800</td>
<td>R155,505 + 39% of the amount above R584,200</td>
</tr>
<tr>
<td>R708,311 – R1,500,000</td>
<td>R207,448 + 41% of the amount above R708,310</td>
<td>R744,801 – R1,577,300</td>
<td>R218,139 + 41% of the amount above R744,800</td>
</tr>
<tr>
<td>R1,500,001 and above</td>
<td>R532,041 + 45% of the amount above R1,500,000</td>
<td>R1,577,301 and above</td>
<td>R559,464 + 45% of the amount above R1,577,300</td>
</tr>
</tbody>
</table>

## REBATES

- **Primary rebate**: Increased from R14,220 to R14,958
- **Secondary rebate (individuals over 65)**: Increased from R7,794 to R8,199
- **Tertiary rebate (individuals over 75)**: Increased from R2,601 to R2,736

## TAX THRESHOLD

- **Under the age of 65**: Increased from R79,000 to R83,100
- **Over the age of 65**: Increased from R122,300 to R128,650
- **Over the age of 75**: Increased from R136,750 to R143,850

## INTEREST EXEMPTION

- **Below age of 65**: R23,800 (unchanged)
- **Age of 65 and over**: R34,500 (unchanged)

## DONATIONS TAX AND ESTATE DUTY

- **Below R30,000,000**: 20% (unchanged)
- **Above R30,000,000**: 25% (unchanged)

## MEDICAL SCHEME CONTRIBUTIONS AND EXPENSES

Monthly monetary tax credit of:
- R319 for the first two members
- R215 for every additional member

## OTHER PERTINENT INFORMATION:

- The annual allowance for investing in tax free savings accounts limit increased to R36,000 per annum
- The overall lifetime limit remains at R500,000
- Value Added Tax rate unchanged
- Transfer duty thresholds increased by 10%
- Gain/loss annual exclusion unchanged at R40,000
- Exclusion on death is unchanged at R300,000
- Company tax rate – unchanged at 28%
- Fuel and road accident levy increased by 1c and 9c per litre respectively – effective 1 April 2020
- Exemption of foreign income threshold from R1,000,000 to R1,250,000.