



# Tax Guide

**2023/24**  
South Africa

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## Individuals and Trusts – Tax Rate

1 March 2023 to 28 February 2024

### Individual taxpayers and special trusts

Taxable Income	Rate of tax
R0 – R237 100	18% of taxable income
R237 101 – R370 500	R42 678 + 26% of taxable income above R237 100
R370 501 – R512 800	R77 362 + 31% of taxable income above R370 500
R512 801 – R673 000	R121 475 + 36% of taxable income above R512 800
R673 001 – R857 900	R179 147 + 39% of taxable income above R673 000
R857 901 – R1 817 000	R251 258 + 41% of taxable income above R857 900
R1 817 001 and above	R644 489 + 45% of the taxable income above R1 817 000

### Trusts

Tax rate 45%

The above rate applies to all trusts except special trusts, which include public benefit organisations, recreational clubs or small business funding entities.

### Tax rebates and deductions

Rebates	2023	2024
Primary rebates – individuals	R16 425	R17 235
Secondary rebate – individuals over 65	R9 000	R9 444
Tertiary rebate – individuals over 75	R2 997	R3 145

Tax threshold	2023	2024
Under 65 years of age	R91 250	R95 750
65 to 75 years of age	R141 250	R148 217
75 years of age and over	R157 900	R165 689

### Medical fees tax credit

	2023	2024
Member	R347	R364
First beneficiary	R347	R364
Additional beneficiaries	R234	R246

The above tax credits will come into operation on 1 March 2023.

## Transfer Duty

### Rates for transfer duty

Property value	Rate of tax
RO – R1 100 000	0%
R1 100 001 – R1 512 500	3% on the value of the property above R1 100 000
R1 512 501 – R2 117 500	R12 375 + 6% of the value above R1 512 500
R2 117 501 – R2 722 500	R48 675 + 8% of the value above R2 117 500
R2 722 501 – R12 100 000	R97 075 + 11% of the value above R2 722 500
R12 100 001 and above	R1 128 600 + 13% of the value above R12 100 000

The above rates come into operation on 1 March 2023.

## Companies – Income Tax Rates

Local companies and branches of foreign companies are subject to income tax at a rate of 27%.

### Micro Business

Turnover	Rate of tax
R1 – R335 000	0% of taxable turnover
R335 001 – R 500 000	1% of taxable turnover above R335 000
R500 001 – R750 000	R1 650 + 2% of taxable turnover above R500 000
R750 001 and above	R6 650 + 3% of taxable turnover above R750 000

The above rates are levied in respect of the taxable turnover of a micro business and commence in respect of any year of assessment on or after 1 March 2023.

### Small Business Corporation

	Rate of tax
R1 – R95 750	0%
R95 751 – R365 000	7% of taxable income above R95 750
R365 001 – R550 000	R18 848 + 21% of taxable income above R365 000
R550 001 and above	R57 698 + 27% of taxable income above R550 000

The above rates apply to companies that qualify as a small business in respect of years of assessment ending on or after 1 April 2023.



## Dividends

### Dividends tax

A South African tax resident company has an obligation to withhold and pay to SARS 20% of the value of any dividend, subject to certain exemptions.

- Ordinarily if the shareholder to whom the dividend is payable is a South Africa tax resident company, the company declaring the dividend is not obliged to withhold 20% of the value of the dividend payable. Similarly, if the shareholder is a retirement fund, public benefit organisation or other exempt person, the company declaring the dividend is not obliged to withhold the 20%.
- Please note that non-South African tax resident companies that have shares listed on the JSE will be obliged to withhold 20% of the dividend declared, subject to certain exemptions.
- In limited circumstances non-resident beneficial owners of dividends may enjoy relief in terms of a double taxation treaty.

## Retirement Fund Lump Sum Benefits

### Taxation of withdrawal benefits

Withdrawal Amount	Rate of tax
R1 – R27 500	0% of taxable turnover
R27 501 – R726 000	18% of taxable income above R27 500
R726 001 – R1 089 000	R125 730 + 27% of taxable income above R726 000
R1 089 001 and above	R223 740 + 36% of taxable income above R1 089 000

### Taxation of retirement benefit lump sums on retirement

Lump Sum Amount	Rate of tax
R1 – R550 000	0% of taxable turnover
R550 001 – R770 000	18% of taxable income above R550 000
R770 001 – R1 155 000	R39 600 + 27% of lump sum amount above R770 000
R1 155 001 and above	R143 550 + 36% of taxable income above R1 155 000

## Interest Exemptions

Exemptions in respect of taxable interest (from a South African source) earned by an individual	2023	2024
Under 65 years of age	R23 800	R23 800
65 years of age and over	R34 500	R34 500

The above exemptions reflect the position as at 23 February 2023.



## Schedule of Values for Travelling Allowances

Where no records of actual costs are kept, the rates per kilometre that may be used in determining the deduction that is allowable for business travel is determined using the following table:

Value of vehicle (incl VAT)	Fixed cost (p.a.)	Full cost c/km	Maintenance cost c/km
R0 – R95 000	31 332	105.8	37.4
R95 001 – R190 000	55 894	118.1	46.8
R190 001 – R285 000	80 539	128.3	51.6
R285 001 – R380 000	102 211	138.0	56.4
R380 001 – R475 000	123 955	147.7	66.2
R475 001 – R570 000	146 753	169.4	77.8
R570 001 – R665 000	169 552	175.1	96.6
R665 000 – and above	169 552	175.1	96.6

The above records of actual costs reflect the positions as at 23 February 2023.

### Note

- For the purposes of calculating PAYE, 80% of the travelling allowance must be included in the employee's remuneration. The percentage is reduced to 20% if the employer is satisfied that no less than 80% of the use of the vehicle for the year of assessment will be for business purposes.
- If the employee has not borne the full cost of fuel used in the vehicle, no fuel cost may be claimed. If the employee has not borne the full cost of maintaining the vehicle (for example, if the vehicle is the subject of a maintenance plan), no maintenance cost may be claimed.
- The fixed cost must be reduced on a pro-rata basis if the vehicle is used for business purposes for only a portion of the year.
- The costs that may be claimed against a travelling allowance are determined in reference to the actual distance travelled during the tax year and the distance travelled for business purposes substantiated by a logbook.

### Alternatively

- No tax is payable on an allowance paid by an employer to an employee, up to the rate of 398 cents per kilometre, regardless of the value of the vehicle.
- If an employee received other compensation in the form of a reimbursement or allowance in respect of the vehicle, this alternative will not be available.

## Fringe Benefits Tax – Employer-owned Vehicles

### The right of use of an employer-owned vehicle by an employee:

- The value of the monthly fringe benefit (the taxable value) is normally calculated at **3.5%** of the vehicle's determined value.
- **80%** of the fringe benefit must be included in the taxpayer's remuneration for the purposes of calculating PAYE. This percentage is reduced to 20% if the employer is satisfied that at least 80% of the use of the vehicle for the tax year will be for business purposes.
- On assessment, the fringe benefit is reduced by the ratio of the distance travelled for business purposes substantiated by a log book divided by the actual distance travelled during the tax year.
- On assessment, further relief is available for the cost of license, insurance, maintenance and fuel for private travel if the full cost thereof has been borne by the taxpayer and if the distance travelled for private purposes is substantiated by a log book.

## Estate Duty

Estate duty is payable by South African tax residents and is levied on South African property owned by non-residents less allowable deductions.

- Abatement of **R3.5 million**.
- Estates up to a value of R30 million will be taxed at a flat rate of **20%**.
- Any amount in excess of R30 million will be taxed at a flat rate of **25%**.



## Donations

### The right of use of an employer-owned vehicle by an employee:

- Donations tax is applicable to donations made by any South African tax resident.
- Individuals can donate R100 000 per annum and juristic persons can donate R10 000 per annum as a casual gift without incurring any donations tax liability.
- Donations (individually or in aggregate) up to R30 million will attract donations tax at a flat rate of 20% on the value of the property donated.
- The amount by which the donation exceeds R30 million will be taxed at a flat rate of 25%.
- Donations between spouses are not subject to donations tax. Similarly, donations to certain public benefit organisations and between South African group companies are not subject to donations tax.

## Capital Gains Tax (CGT)

Taxable income includes a portion of the capital gains made on the disposal of assets.

### Effective CGT Rates

Taxpayer	Maximum effective rate
Individuals and special trusts	18%
Ordinary companies	21.6%
Other trusts	36%

### Tax base

- Residents – disposal of assets anywhere in the world.
- Non-residents – disposal of immovable property situated in South Africa, disposal of shares in certain companies that own immovable property in South Africa, and disposal of the business assets of a permanent establishment in South Africa.
- “Disposal” includes sale, donation, exchange, loss, death and emigration.

## Withholding Taxes

### Exclusions

- In the year of death of an individual **R300 000**.
- Special trusts and individuals are granted **R40 000** capital gains or capital loss per annum.
- Most personal-use assets.
- On the disposal of a primary residence, the first **R2 million** is not subject to CGT.
- Payment from long-term insurance policies.
- Retirement benefits.
- Small business - If an individual, over the age of 55 years, disposes a small business, the market value of which does not exceed **R10 million**, the first **R1.8 million** of the capital gain will not be subject to tax.

### Royalties

A final tax at a rate of 15% is imposed on the gross amount of royalties from a South African source payable to non-residents.

### Interest

A final tax at a rate of 15% is imposed on interest from a South African source payable to non-residents.

### Dividend

A final tax at a rate of 20% is imposed on dividends from a South African source payable to non-residents. Non-resident beneficial owners of dividends may benefit from reduced tax rates in limited circumstances.

### Immovable property

A provisional tax is withheld on behalf of non-resident sellers of immovable property in South Africa, to be set off against the normal tax liability of the non-residents. The tax to be withheld from payments to the non-residents is at a rate of 7.5% for a non-resident individual, 10% for a non-resident company, and 15% for a non-resident trust that is selling the immovable property.

### Foreign entertainers and sportspersons

A final tax at a rate of 15% is imposed on gross amounts received from a South African source payable to non-resident entertainers and sportspersons.

## Value-added Tax (VAT)

VAT is levied at the standard rate of 15% on the supply of goods and services by registered vendors.

Registration threshold: If the vendor achieves or is likely to achieve taxable supplies in excess of R1 million per annum registration is required.

Voluntary registration may be applied for if a vendor makes taxable supplies exceeding R50 000 per annum.



## Other Taxes

### Skills Development Levy (SDL) and Unemployment Insurance Contributions (UIF)

Contributions to UIF are equal to a 1% of the "remuneration" payable by both the employer and the employee.

SDL is payable by the employer only at a rate of 1% of the "remuneration". Employers with an annual "remuneration" expense of less than R500 000 are exempt from paying SDL.

### Securities Transfer Tax (STT)

STT is payable at a rate of 0.25% on the transfer (also cancellation or redemption in certain circumstances) of all securities of companies incorporated in South Africa. The amount of STT payable is calculated with reference to the higher of the consideration paid for the securities by the purchaser or the market value thereof as at the date of transfer. It is also payable on the transfer of a member's interest in a close corporation. Several exemptions are applicable.

### Fuel and Road Accident Fund levies

The general fuel and Road Accident Fund levies are set to increase by 15c/l and 11c/l, respectively, on diesel and petrol effective from 7 April 2021.

## Custom and Excise (Sin taxes)

Table 4.10 Changes in specific excise duties, 2023/24

Product	Current excise duty rate	Proposed excise duty rate	Percentage change	
			Nominal	Real
Malt beer	R121.41/litre of absolute alcohol (206,40c/average 340ml can)	R127.40/litre of absolute alcohol (216,58c/average 340ml can)	4,9	–
Traditional African beer	7,82c/litre	7,82c/litre	–	-4,9
Traditional African beer powder	34,70c/kg	34,70c/kg	–	-4,9
Unfortified wine	R4.96/litre	R5.20/litre	4,9	–
Fortified wine	R8.36/litre	R8.77/litre	4,9	–
Sparkling wine	R16.52/litre	R16.64/litre	0,7	-4,2
Ciders and alcoholic fruit beverages	R121.41/litre of absolute alcohol (206,40c/average 340ml can)	R127.40/litre of absolute alcohol (216,58c/average 340ml can)	4,9	–
Spirits	R245.15/litre of absolute alcohol (R79.06/750ml bottle)	R257.23/litre of absolute alcohol (R82.96/750ml bottle)	4,9	–
Cigarettes	R19.82/20 cigarettes	R20.80/20 cigarettes	4,9	–
HTPs sticks	R14.87/20 sticks	R15.60/20 sticks	4,9	–
Cigarette tobacco	R22.28/50g	R23.38/50g	4,9	–
Pipe tobacco	R6.63/25g	R6.96/25g	4,9	–
Cigars	R110.93/23g	R116.40/23g	4,9	–

\*For more information on custom and excise tax, please check Table C.4 Specific excise duties, 2022/23 – 2023/24 on the national Treasury website.

The above came into effect 22 February 2023.



## Key Contact

### Tax and exchange control



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