



2020 BUDGET IN A NUTSHELL



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IN A
NUTSHELL

Zuydam Konsult
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General

- Section 12J tax incentive will not be renewed beyond March 2020
- Transfer Duty will only be payable on properties with a value of more than R1 000 000
- Income tax brackets have been adjusted upward



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CORPORATE TAXES

- Corporate tax remains unchanged at 28%
- Companies' assessed losses allowed to be carried forward will be restricted to 80% of taxable income from 1 January 2021
- Dividends tax unchanged at 20%
- Small business corporations remains in place
- Capital gains taxes remains at effective rate of 22.4%
- Net interest expenses will be restricted to 30% of earnings after January 2021



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FUEL, SIN AND OTHER TAXES – Effective from 1 April 2020

- Fuel levies
 - Fuel levies increases by 15 cents per litre from 1 April 2020
- Alcohol and tobacco excise duties
 - Increases of between 4,4% and 7,5%
- Electronic cigarettes will be taxed from 2021
- Plastic bag levy is increased to 25 cents



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TRUSTS AND ESTATES

- The tax rate for trusts unchanged at 45%
- Effective capital gains tax unchanged at 36%.
- Estate duty on Estates < R 30 million remains unchanged at 20% and no adjustment to the R3,5 million rebate.
- Estate duty on Estates > R 30 million remains unchanged 25% of the value > R 30 million
- Donations < R 30 million to be taxed at 20%
- Donations > R 30 million to be taxed at 25%
- Exemption on donations of R 100 000 per annum remains



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INDIVIDUALS

- Top tier tax bracket at 45% is now at R1 577 300
- Unchanged inclusion percentage for capital gains taxes of 40%
- Tax-free thresholds increase from R79 000 to R83 100 for person below the age of 65
- Individual rebates have increased from 2020 to 2021
- Foreign income to be exempt up to R1 250 000 from 01 March 2020
- Limit of annual contributions to tax free savings have been increased to R36 000



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INDIVIDUALS – TAX TABLES 2021

Taxable Income	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
744 800 – 1 577 300	218 139 + 41% of taxable income above 744 800
1 577 301 AND ABOVE	559 464 + 45% of taxable income above R 1 577 300



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INDIVIDUALS – TAX TABLES 2020

Taxable Income	Rate of Tax (R)
0 – 195 850	18% of taxable income
195 851 – 305 850	35 253 + 26% of taxable income above 195 850
305 851 – 423 300	63 853 + 31% of taxable income above 305 850
423 301 – 555 600	100 263 + 36% of taxable income above 423 300
555 601 – 708 310	147 891 + 39% of taxable income above 555 600
708 311 – 1 500 000	207 448 + 41% of taxable income above 708 310
1 500 001 AND ABOVE	532 041 + 45% of taxable income above R 1 500 000



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INDIVIDUAL REBATES

Rebates	2021	2020
Primary	R14 958	R14 220
Secondary (Persons 65 years and older)	R8 199	R7 794
Tertiary (Persons 75 years and older)	R2 736	R2 601

TAX THRESHOLDS

	2021	2020
Primary	R83 100	R79 000
Secondary (Persons 65 years and older)	R128 650	R122 300
Tertiary (Persons 75 years and older)	R143 850	R136 750



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OTHER REBATES

Rebates	2020	2019
Interest rebates	R23 800	R23 800
Medical aid rebate (primary + 1st dependent)	R319	R310
Medical aid per additional dependent	R215	R205

CAPITAL GAINS TAX RATE FOR INDIVIDUALS

	2019	2018
Inclusion rate	40%	40%
Maximum effective rate	18%	18%



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FOR TAX PLANNING AND ADVISORY SERVICES

CONTACT US:

Henk van Zuydam

Francois Joubert

info@zuydam.co.za

Annemieke Gregory

tax@zuydam.co.za

+27 21 913 9745