

REPUBLIC OF SOUTH AFRICA

RATES AND MONETARY AMOUNTS AND AMENDMENT OF REVENUE LAWS BILL

*(As introduced in the National Assembly (proposed section 77))
(The English text is the official text of the Bill)*

(MINISTER OF FINANCE)

[B 10—2012]

ISBN 978-1-77037-949-7

No. of copies printed 1 800

GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

BILL

To fix the rates of normal tax; to amend the Income Tax Act, 1962, so as to amend rates and monetary amounts; to amend the Customs and Excise Act, 1964, so as to amend rates of duty in Schedule 1; and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

Fixing of rates of normal tax

1. (1) The rates of tax fixed by Parliament in terms of section 5(2) of the Income Tax Act, 1962 (Act No. 58 of 1962), are set out in paragraphs 1, 2, 3, 4, 5 and 7 of Appendix I to this Act. 5

(2) The rate of tax fixed by Parliament in terms of section 48B(1) of the Income Tax Act, 1962, is set out in paragraph 6 of Appendix I to this Act.

(3) For the purposes of Appendix I to this Act any word or expression to which a meaning has been assigned in the Income Tax Act, 1962, bears the meaning so assigned unless the context otherwise indicates. 10

(4) Subject to subsection (5), the rates of tax referred to in subsection (1) apply in respect of—

(a) any person (other than a company or a trust other than a special trust) for the year of assessment commencing on or after 1 March 2012; 15

(b) any company for any year of assessment ending during the period of 12 months ending on 31 March 2013; and

(c) any trust (other than a special trust) for any year of assessment commencing on 1 March 2012 or ending on 28 February 2013.

(5) The rate of tax referred to in subsection (2) applies in respect of the taxable turnover of a person that was a registered micro business as defined in paragraph 1 of the Sixth Schedule to the Income Tax Act, 1962, in respect of any year of assessment commencing on or after 1 March 2012. 20

Amendment of section 6 of Act 58 of 1962, as amended by section 4 of Act 90 of 1962, section 3 of Act 6 of 1963, section 5 of Act 72 of 1963, section 8 of Act 55 of 1966, section 7 of Act 95 of 1967, section 7 of Act 76 of 1968, section 8 of Act 89 of 1969, section 7 of Act 88 of 1971, section 5 of Act 104 of 1980, section 5 of Act 96 of 1981, section 5 of Act 91 of 1982, section 4 of Act 94 of 1983, section 4 of Act 121 of 1984, section 3 of Act 96 of 1985, section 4 of Act 85 of 1987, section 4 of Act 90 of 1988, section 4 of Act 70 of 1989, section 3 of Act 101 of 1990, section 4 of Act 129 of 1991, section 4 of Act 141 of 1992, section 5 of Act 21 of 1995, section 4 of Act 36 of 1996, section 3 of Act 28 of 1997, section 22 of Act 30 of 1998, section 5 of Act 32 of 1999, section 15 of Act 30 of 2000, section 6 of Act 19 of 2001, section 11 of Act 30 of 2002, section 35 of Act 12 of 2003, section 6 of Act 16 of 2004, section 3 of Act 9 of 2005, section 7 of Act 31 of 2005, section 20 of Act 9 of 2006, section 5 of Act 8 of 2007, section 1 of Act 3 of 2008, section 7 of Act 60 of 2008, section 6 of Act 17 of 2009, section 8 of Act 7 of 2010 and sections 6(3) and 9 of Act 24 of 2011

2. (1) Section 6 of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (2) for paragraphs (a), (b) and (c) of the following paragraphs:

- “(a) a primary rebate, an amount of [R10 755] R11 440;
- (b) a secondary rebate, if the taxpayer was or, had he or she lived, would have been 65 years of age or older on the last day of the year of assessment, an amount of [R6 012] R6 390; and
- (c) a tertiary rebate if the taxpayer was or, had he or she lived, would have been 75 years of age or older on the last day of the year of assessment, an amount of [R2 000] R2 130.”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2012 and applies in respect of years of assessment commencing on or after that date.

Amendment of section 6A of Act 58 of 1962, as inserted by section 10 of Act 24 of 2011

3. (1) Section 6A of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (2)(b) for subparagraphs (i), (ii) and (iii) of the following subparagraphs, respectively:

- “(i) [R216] R230, in respect of benefits to the taxpayer;
- (ii) [R432] R460, in respect of benefits to the taxpayer and one dependant; or
- (iii) [R432] R460, in respect of benefits to the taxpayer and one dependant, plus [R144] R154 in respect of benefits to each additional dependant,”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2012 and applies in respect of years of assessment commencing on or after that date.

Amendment of section 10B of Act 58 of 1962, as inserted by section 29 of Act 24 of 2011

4. (1) Section 10B of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (3)(b)(ii) for items (aa) and (bb) of the following items:

- “(aa) where the person is a natural person, deceased estate, insolvent estate or special trust, the ratio of the number [30] 25 to the number 40; or
- (bb) where the person is a person other than a natural person, deceased estate, insolvent estate or special trust, the ratio of the number [18] 13 to the number 28; and”.

(2) Subsection (1) is deemed to have come into operation on 1 April 2012.

Amendment of section 23H of Act 58 of 1962, as inserted by section 31 of Act 30 of 2000 and amended by section 29 of Act 59 of 2000, section 34 of Act 60 of 2001, section 36 of Act 35 of 2007, section 19 of Act 3 of 2008 and section 43 of Act 7 of 2010

5. (1) Section 23H of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (1) for paragraph (bb) of the proviso of the following paragraph:

- “(bb) where the aggregate of all amounts of expenditure incurred by such person, which would otherwise be limited by this section, does not exceed [R80 000] R100 000; or”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2012 and applies in respect of years of assessment commencing on or after that date.

Amendment of section 64E of Act 58 of 1962, as substituted by section 53 of Act 17 of 2009 and amended by section 71 of Act 7 of 2010 and section 76 of Act 24 of 2011

6. (1) Section 64E of the Income Tax Act, 1962, is hereby amended by the substitution for subsection (1) of the following subsection: 5

“(1) There must be levied for the benefit of the National Revenue Fund a tax, to be known as the dividends tax, calculated at the rate of [10] 15 per cent of the amount of any dividend paid by any company other than a headquarter company.”.

(2) Subsection (1) is deemed to have come into operation on 1 April 2012. 10

Amendment of paragraph 9 of Seventh Schedule to Act 58 of 1962, as amended by section 31 of Act 96 of 1985, section 34 of Act 65 of 1986, section 29 of Act 85 of 1987, section 59 of Act 101 of 1990, section 53 of Act 113 of 1993, section 33 of Act 21 of 1994, section 51 of Act 28 of 1997, section 55 of Act 30 of 1998, section 55 of Act 30 of 2000, section 57 of Act 31 of 2005, section 29 of Act 9 of 2006, section 2 of Act 8 of 2007, section 68 of Act 35 of 2007, sections 1 and 48 of Act 3 of 2008, section 65 of Act 17 of 2009 and section 104 of Act 24 of 2011 15

7. (1) Paragraph 9 of the Seventh Schedule to the Income Tax Act, 1962, is hereby amended by the substitution in subparagraph (3)(a)(ii) for the words preceding the proviso of the following words: 20

“ ‘B’ represents an abatement equal to an amount of [R59 750] R63 556”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2012 and applies in respect of years of assessment commencing on or after that date.

Amendment of paragraph 5 of Eighth Schedule to Act 58 of 1962, as amended by section 32 of Act 9 of 2006, section 2 of Act 8 of 2007, section 1 of Act 3 of 2008, section 67 of Act 17 of 2009 and section 107 of Act 24 of 2011 25

8. (1) Paragraph 5 of the Eighth Schedule to the Income Tax Act, 1962, is hereby amended by the substitution for subparagraphs (1) and (2) of the following subparagraphs:

“(1) Subject to subparagraph (2), the annual exclusion of a natural person and a special trust in respect of a year of assessment is [R20 000] R30 000. 30

(2) Where a person dies during a year of assessment, that person’s annual exclusion for that year is [R200 000] R300 000.”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2012 and applies in respect of years of assessment commencing on or after that date. 35

Amendment of paragraph 10 of Eighth Schedule to Act 58 of 1962, as amended by section 66 of Act 74 of 2002

9. (1) Paragraph 10 of the Eighth Schedule to the Income Tax Act, 1962, is hereby amended—

(a) by the substitution for subparagraph (a) of the following subparagraph: 40

“(a) in the case of a natural person or a special trust as defined in section 1 of the Act, [25] 33,3 per cent;” and

(b) by the substitution for subparagraph (c) of the following subparagraph:

“(c) in any other case, [50] 66,6 per cent.”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2012 and applies in respect of years of assessment commencing on or after that date. 45

Amendment of paragraph 45 of Eighth Schedule to Act 58 of 1962, as substituted by section 93 of Act 60 of 2001 and amended by section 33 of Act 9 of 2006, section 2 of Act 8 of 2007, section 73 of Act 17 of 2009 and section 103 of Act 7 of 2010

10. (1) Paragraph 45 of the Eighth Schedule to the Income Tax Act, 1962, is hereby amended by the substitution in subparagraph (1) for item (a) of the following item: 5

“(a) so much of a capital gain or capital loss determined in respect of the disposal of the primary residence of that person or that special trust as does not exceed [R1,5 million] R2 million; or”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2012 and applies in respect of years of assessment commencing on or after that date. 10

Amendment of paragraph 57 of Eighth Schedule to Act 58 of 1962, as amended by section 89 of Act 74 of 2002, section 34 of Act 9 of 2006 and section 115 of Act 24 of 2011

11. (1) Paragraph 57 of the Eighth Schedule to the Income Tax Act, 1962, is hereby amended— 15

(a) by the substitution in subparagraph (1) for the definition of “small business” of the following definition:

“ ‘small business’ means a business of which the market value of all its assets, as at the date of the disposal of the asset or interest contemplated in subparagraph (2), does not exceed [R5 million] R10 million.”; and 20

(b) by the substitution for subparagraph (3) of the following subparagraph:

“(3) The sum of the amounts to be disregarded by a natural person as contemplated in subparagraph (2) may not exceed [R900 000] R1,8 million during that natural person’s lifetime.”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2012 and applies in respect of years of assessment commencing on or after that date. 25

Amendment of paragraph 3 of Part I of Ninth Schedule to Act 58 of 1962, as inserted by section 41 of Act 30 of 2002 and amended by section 125 of Act 45 of 2003, section 60 of Act 20 of 2006, section 1 of Act 3 of 2008 and section 81 of Act 17 of 2009 30

12. (1) Part I of the Ninth Schedule to the Income Tax Act, 1962, is hereby amended by the substitution in paragraph 3 for subparagraph (a) of the following subparagraph:

“(a) The development, construction, upgrading, conversion or procurement of housing units for the benefit of persons whose monthly household income is equal to or less than [R7 500] R15 000 or any greater amount determined by the Minister of Finance by notice in the *Gazette* after consultation with the Minister of Housing.”. 35

(2) Subsection (1) is deemed to have come into operation on 1 March 2012 and applies in respect of years of assessment commencing on or after that date.

Amendment of paragraph 5 of Part II of Ninth Schedule to Act 58 of 1962, as inserted by section 130 of Act 45 of 2003 and amended by section 62 of Act 20 of 2006 and section 1 of Act 3 of 2008 40

13. (1) Part II of the Ninth Schedule to the Income Tax Act, 1962, is hereby amended by the substitution in paragraph 5 for subparagraph (a) of the following subparagraph:

“(a) The development, construction, upgrading, conversion or procurement of housing units for the benefit of persons whose monthly household income is equal to or less than [R7 500] R15 000 or any greater amount determined by the Minister of Finance by notice in the *Gazette* after consultation with the Minister of Housing.”. 45

(2) Subsection (1) is deemed to have come into operation on 1 March 2012 and applies in respect of years of assessment commencing on or after that date. 50

Amendment of Schedule 1 to Act 91 of 1964, as amended by section 19 of Act 95 of 1965, section 15 of Act 57 of 1966, section 2 of Act 96 of 1967, section 22 of Act 85 of 1968, section 37 of Act 105 of 1969, section 9 of Act 98 of 1970, section 2 of Act 89 of 1971, section 12 of Act 103 of 1972, section 6 of Act 68 of 1973, section 3 of Act 64 of 1974, section 13 of Act 71 of 1975, section 13 of Act 105 of 1976, section 38 of Act 112 of 1977, section 3 of Act 114 of 1981, section 27 of Act 86 of 1982, section 10 of Act 89 of 1984, section 14 of Act 101 of 1985, section 11 of Act 69 of 1988, section 19 of Act 68 of 1989, section 40 of Act 59 of 1990, section 3 of Act 111 of 1991, section 15 of Act 105 of 1992, section 13 of Act 98 of 1993, section 12 of Act 19 of 1994, section 74 of Act 45 of 1995, section 8 of Act 44 of 1996, section 15 of Act 27 of 1997, section 75 of Act 30 of 1998, section 7 of Act 32 of 1999, section 64 of Act 30 of 2000, section 52 of Act 19 of 2001, section 53 of Act 30 of 2002, section 41 of Act 12 of 2003, section 155 of Act 45 of 2003, section 36 of Act 16 of 2004, section 14 of Act 9 of 2005, section 36 of Act 9 of 2006, section 76 of Act 8 of 2007, section 66 of Act 3 of 2008, section 88 of Act 17 of 2009, section 117 of Act 7 of 2010 and section 127 of Act 24 of 2011

14. (1) Schedule 1 to the Customs and Excise Act, 1964 (Act No. 91 of 1964), is hereby amended as set out in Appendix II to this Act.

(2) For the purposes of Appendix II to this Act any word or expression to which a meaning has been assigned in the Customs and Excise Act, 1964, bears the meaning so assigned unless the context otherwise indicates.

(3) Subject to section 58(1) of the Customs and Excise Act, 1964, subsection (1) is deemed to have come into operation on 22 February 2012.

Short title

15. This Act is called the Rates and Monetary Amounts and Amendment of Revenue Laws Act, 2012.

Appendix I

(Section 1)

RATES OF NORMAL TAX

1. The rate of tax referred to in section 1(1) of this Act to be levied in respect of the taxable income (excluding any retirement fund lump sum benefit, retirement fund lump sum withdrawal benefit or severance benefit) of any natural person, deceased estate, insolvent estate or special trust (other than a public benefit organisation or recreational club referred to in paragraph 4) in respect of any year of assessment commencing on 1 March 2012 is set out in the table below:

Taxable income	Rate of tax
Not exceeding R160 000	18 per cent of taxable income
Exceeding R160 000 but not exceeding R250 000	R28 800 plus 25 per cent of amount by which taxable income exceeds R160 000
Exceeding R250 000 but not exceeding R346 000	R51 300 plus 30 per cent of amount by which taxable income exceeds R250 000
Exceeding R346 000 but not exceeding R484 000	R80 100 plus 35 per cent of amount by which taxable income exceeds R346 000
Exceeding R484 000 but not exceeding R617 000	R128 400 plus 38 per cent of amount by which taxable income exceeds R484 000
Exceeds R617 000	R178 940 plus 40 per cent of amount by which taxable income exceeds R617 000

2. The rate of tax referred to in section 1(1) of this Act to be levied in respect of the taxable income of a trust (other than a special trust or a public benefit organisation referred to in paragraph 4) in respect of any year of assessment ending on 28 February 2013 is 40 per cent.

3. The rate of tax referred to in section 1(1) of this Act to be levied in respect of the taxable income of a company (other than a public benefit organisation or recreational club referred to in paragraph 4 or a small business corporation referred to in paragraph 5) in respect of any year of assessment ending during the period of 12 months ending on 31 March 2013 is, subject to the provisions of paragraph 10, as follows:

- (a) 28 per cent of the taxable income of any company (excluding taxable income referred to in subparagraphs (b), (c), (d) and (e));
- (b) in respect of the taxable income derived by any company from mining for gold on any gold mine with the exclusion of so much of the taxable income as the Commissioner determines to be attributable to the inclusion in the gross income of any amount referred to in paragraph (j) of the definition of “gross income” in section 1 of the Income Tax Act, 1962, but after the set-off of any assessed loss in terms of section 20(1) of that Act, a percentage determined in accordance with the formula:

$$y = 34 - \frac{170}{x}$$

in which formula y represents such percentage and x the ratio expressed as a percentage which the taxable income so derived (with the said exclusion, but before the set-off of any assessed loss or deduction which is not attributable to the mining for gold from the said mine) bears to the income so derived (with the said exclusion);

- (c) in respect of the taxable income of any company, the sole or principal business of which in the Republic is, or has been, mining for gold and the determination of the taxable income of which for the period assessed does not result in an assessed loss, which the Commissioner determines to be attributable to the inclusion in its gross income of any amount referred to in paragraph (j) of the definition of “gross income” in section 1 of the Income Tax Act, 1962, a rate equal to the average rate of normal tax or 28 per cent, whichever is higher: Provided that for the purposes of this subparagraph, the average rate of normal tax shall be determined by dividing the total normal tax (excluding the tax determined in accordance with this subparagraph for the period assessed) paid by the company in respect of its aggregate taxable income from mining for

gold on any gold mine for the period from which that company commenced its gold mining operations on that gold mine to the end of the period assessed, by the number of rands contained in the said aggregate taxable income;

- (d) in respect of the taxable income derived by any company from carrying on long-term insurance business in respect of its—
 - (i) individual policyholder fund, 30 per cent; and
 - (ii) company policyholder fund and corporate fund, 28 per cent; and
- (e) in respect of the taxable income derived by a qualifying company contemplated in section 37H of the Income Tax Act, 1962, subject to the provisions of the said section, zero per cent.

4. The rate of tax referred to in section 1(1) of this Act to be levied in respect of the taxable income of any public benefit organisation that has been approved by the Commissioner in terms of section 30(3) of the Income Tax Act, 1962, or any recreational club that has been approved by the Commissioner in terms of section 30A(2) of that Act is 28 per cent—

- (a) in the case of an organisation or club that is a company, in respect of any year of assessment ending during the period of 12 months ending on 31 March 2013; or
- (b) in the case of an organisation that is a trust, in respect of any year of assessment commencing on 1 March 2012 or ending on 28 February 2013.

5. The rate of tax referred to in section 1(1) of this Act to be levied in respect of the taxable income of any company which qualifies as a small business corporation as defined in section 12E of the Income Tax Act, 1962, in respect of any year of assessment ending during the period of 12 months ending on 31 March 2013 is, subject to the provisions of paragraph 10, set out in the table below:

Taxable income	Rate of tax
Not exceeding R63 556	0 per cent of taxable income
Exceeding R63 556 but not exceeding R350 000	7 per cent of amount by which taxable income exceeds R63 556
Exceeding R350 000	R20 051 plus 28 per cent of amount by which taxable income exceeds R350 000

6. The rate of tax referred to in section 1(2) of this Act to be levied in respect of the taxable turnover of a person that is a registered micro business as defined in paragraph 1 of the Sixth Schedule to the Income Tax Act, 1962, in respect of any year of assessment ending during the period of 12 months ending on 31 March 2013 is set out in the table below:

Taxable turnover	Rate of tax
Not exceeding R150 000	0 per cent of taxable turnover
Exceeding R150 000 but not exceeding R300 000	1 per cent of amount by which taxable turnover exceeds R150 000
Exceeding R300 000 but not exceeding R500 000	R1 500 plus 2 per cent of amount by which taxable turnover exceeds R300 000
Exceeding R500 000 but not exceeding R750 000	R5 500 plus 4 per cent of amount by which taxable turnover exceeds R500 000
Exceeding R750 000	R15 500 plus 6 per cent of amount by which taxable turnover exceeds R750 000

7. (a) (i) If a retirement fund lump sum withdrawal benefit accrues to a person in any year of assessment commencing on or after 1 March 2012, the rate of tax referred to in section 1(1) of this Act to be levied on that person in respect of taxable income comprising the aggregate of—

- (aa) that retirement fund lump sum withdrawal benefit;
- (bb) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in subitem (aa);
- (cc) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in subitem (aa); and

(dd) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in subitem (aa),
is set out in the table below:

Taxable income from lump sum benefits	Rate of tax
Not exceeding R22 500	0 per cent of taxable income
Exceeding R22 500 but not exceeding R600 000	18 per cent of taxable income exceeding R22 500
Exceeding R600 000 but not exceeding R900 000	R103 950 plus 27 per cent of taxable income exceeding R600 000
Exceeding R900 000	R184 950 plus 36 per cent of taxable income exceeding R900 000

(ii) The amount of tax levied in terms of item (i) must be reduced by an amount equal to the tax that would be leviable on the person in terms of that item in respect of taxable income comprising the aggregate of—

- (aa) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in item (i)(aa);
 - (bb) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in item (i)(aa); and
 - (cc) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in item (i)(aa).
- (b) (i) If a retirement fund lump sum benefit accrues to a person in any year of assessment commencing on or after 1 March 2012, the rate of tax referred to in section 1(1) of this Act to be levied on that person in respect of taxable income comprising the aggregate of—

- (aa) that retirement fund lump sum benefit;
- (bb) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the retirement fund lump sum benefit contemplated in subitem (aa);
- (cc) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the retirement fund lump sum benefit contemplated in subitem (aa); and
- (dd) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the retirement fund lump sum benefit contemplated in subitem (aa),

is set out in the table below:

Taxable income from lump sum benefits	Rate of tax
Not exceeding R315 000	0 per cent of taxable income
Exceeding R315 000 but not exceeding R630 000	R0 plus 18 per cent of taxable income exceeding R315 000
Exceeding R630 000 but not exceeding R945 000	R56 700 plus 27 per cent of taxable income exceeding R630 000
Exceeding R945 000	R141 750 plus 36 per cent of taxable income exceeding R945 000

(ii) The amount of tax levied in terms of item (i) must be reduced by an amount equal to the tax that would be leviable on the person in terms of that item in respect of taxable income comprising the aggregate of—

- (aa) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the retirement fund lump sum benefit contemplated in item (i)(aa);
- (bb) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the retirement fund lump sum benefit contemplated in item (i)(aa); and

(cc) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the retirement fund lump sum benefit contemplated in item (i)(aa).

(c) (i) If a severance benefit accrues to a person in any year of assessment commencing on or after 1 March 2012, the rate of tax referred to in section 1(1) of this Act to be levied on that person in respect of taxable income comprising the aggregate of—

(aa) that severance benefit;

(bb) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the severance benefit contemplated in subitem (aa);

(cc) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the severance benefit contemplated in subitem (aa); and

(dd) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the severance benefit contemplated in subitem (aa),

is set out in the table below:

Taxable income from severance benefits	Rate of tax
Not exceeding R315 000	0 per cent of taxable income
Exceeding R315 000 but not exceeding R630 000	R0 plus 18 per cent of taxable income exceeding R315 000
Exceeding R630 000 but not exceeding R945 000	R56 700 plus 27 per cent of taxable income exceeding R630 000
Exceeding R945 000	R141 750 plus 36 per cent of taxable income exceeding R945 000

(ii) The amount of tax levied in terms of item (i) must be reduced by an amount equal to the tax that would be leviable on the person in terms of that item in respect of taxable income comprising the aggregate of—

(aa) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the severance benefit contemplated in item (i)(aa);

(bb) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the severance benefit contemplated in item (i)(aa); and

(cc) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the severance benefit contemplated in item (i)(aa).

8. The rates of tax set out in paragraphs 1, 2, 3, 4, 5 and 7 are the rates required to be fixed by Parliament in accordance with the provisions of section 5(2) of the Income Tax Act, 1962.

9. The rate of tax set out in paragraph 6 is the rate required to be fixed by Parliament in accordance with the provisions of section 48B(1) of the Income Tax Act, 1962.

10. For the purposes of this Appendix, income derived from mining for gold includes any income derived from silver, osmiridium, uranium, pyrites or other minerals which may be won in the course of mining for gold and any other income which results directly from mining for gold.

Appendix II

AMENDMENT OF PART 2A OF SCHEDULE 1 TO
CUSTOMS AND EXCISE ACT, 1964

(Section 14)

Tariff Item	Tariff heading	Description	Rate of duty	
			Excise	Customs
104.00		PREPARED FOODSTUFFS; BEVERAGES, SPIRITS AND VINEGAR; TOBACCO		
104.01	19.01	Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40 per cent by mass of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of headings 04.01 to 04.04, not containing cocoa or containing less than 5 per cent by mass of cocoa calculated on a totally defatted basis not elsewhere specified or included:		
104.01.10	1901.90.20	Traditional African beer powder as defined in Additional Note 1 to Chapter 19	34,7c/kg	34,7c/kg
104.10	22.03	Beer made from malt:		
104.10.10	2203.00.05	Traditional African beer as defined in Additional Note 1 to Chapter 22	7,82c/li	7,82c/li
104.10.20	2203.00.90	Other	R59,36/li aa	R59,36/li aa
104.15	22.04	Wine of fresh grapes, including fortified wines; grape must (excluding that of heading 20.09):		
104.15.01	2204.10	Sparkling wine	R7,53/li	R7,53/li
104.15	2204.21	In containers holding 2 li or less:		
104.15	2204.21.4	Unfortified wine:		
104.15.03	2204.21.41	With an alcoholic strength by volume exceeding 6,5 per cent vol. but not exceeding 16,5 per cent vol.	R2,50/li	R2,50/li
104.15.04	2204.21.42	Other	R111,64/li aa	R111,64/li aa
104.15	2204.21.5	Fortified wine:		
104.15.05	2204.21.51	With an alcoholic strength by volume exceeding 15 per cent vol. but not exceeding 22 per cent vol.	R4,59/li	R4,59/li
104.15.06	2204.21.52	Other	R111,64/li aa	R111,64/li aa
104.15	2204.29	Other:		
104.15	2204.29.4	Unfortified wine:		
104.15.07	2204.29.41	With an alcoholic strength by volume exceeding 6,5 per cent vol. but not exceeding 16,5 per cent vol.	R2,50/li	R2,50/li
104.15.08	2204.29.42	Other	R111,64/li aa	R111,64/li aa
104.15	2204.29.5	Fortified wine:		
104.15.09	2204.29.51	With an alcoholic strength by volume exceeding 15 per cent vol. but not exceeding 22 per cent vol.	R4,59/li	R4,59/li
104.15.10	2204.29.52	Other	R111,64/li aa	R111,64/li aa
104.16	22.05	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances:		
104.16	2205.10	In containers holding 2 li or less:		
104.16.01	2205.10.10	Sparkling	R7,53/li	R7,53/li
104.16	2205.10.2	Unfortified:		
104.16.03	2205.10.21	With an alcoholic strength by volume exceeding 6,5 per cent vol. but not exceeding 15 per cent vol.	R2,50/li	R2,50/li
104.16.04	2205.10.22	Other	R111,64/li aa	R111,64/li aa

Tariff Item	Tariff heading	Description	Rate of duty	
			Excise	Customs
104.16	2205.10.3	Fortified:		
104.16.05	2205.10.31	With an alcoholic strength by volume exceeding 15 per cent vol. but not exceeding 22 per cent vol.	R4,59/li	R4,59/li
104.16.06	2205.10.32	Other	R111,64/li aa	R111,64/li aa
104.16	2205.90	Other:		
104.16	2205.90.2	Unfortified:		
104.16.09	2205.90.21	With an alcoholic strength by volume exceeding 6,5 per cent vol. but not exceeding 15 per cent vol.	R2,50/li	R2,50/li
104.16.10	2205.90.22	Other	R111,64/li aa	R111,64/li aa
104.16	2205.90.3	Fortified:		
104.16.11	2205.90.31	With an alcoholic strength by volume exceeding 15 per cent vol. but not exceeding 22 per cent vol.	R4,59/li	R4,59/li
104.16.12	2205.90.32	Other	R111,64/li aa	R111,64/li aa
104.17	22.06	Other fermented beverages (for example, cider, perry, mead); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included:		
104.17.03	2206.00.05	Sparkling beverages	R7,53/li	R7,53/li
104.17.05	2206.00.15	Traditional African beer as defined in Additional Note 1 to Chapter 22	7,82c/li	7,82c/li
104.17.15	2206.00.81	Other fermented beverages, unfortified, with an alcoholic strength by volume not exceeding 9 per cent vol.	R2,97/li	R2,97/li
104.17.16	2206.00.82	Other fermented beverages, unfortified, with an alcoholic strength by volume exceeding 9 per cent vol. but not exceeding 15 per cent vol.	R2,97/li	R2,97/li
104.17.17	2206.00.83	Other fermented beverages, fortified, with an alcoholic strength by volume exceeding 15 per cent vol. but not exceeding 23 per cent vol.	R45,60/li aa	R45,60/li aa
104.17.22	2206.00.85	Other, mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, with an alcoholic strength by volume not exceeding 9 per cent vol.	R2,97/li	R2,97/li
104.17.25	2206.00.87	Other, mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, with an alcoholic strength by volume exceeding 9 per cent vol. but not exceeding 15 per cent vol.	R2,97/li	R2,97/li
104.17.90	2206.00.90	Other	R111,64/li aa	R111,64/li aa
104.21	22.07	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 per cent vol. or higher; ethyl alcohol and other spirits, denatured, of any strength:		
104.21.01	2207.10	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 per cent vol. or higher	R111,64/li aa	R111,64/li aa
104.21.03	2207.20	Ethyl alcohol and other spirits, denatured, of any strength	R111,64/li aa	R111,64/li aa
104.23	22.08	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 per cent vol.; spirits, liqueurs and other spirituous beverages:		
104.23	2208.20	Spirits obtained by distilling grape wine or grape marc:		
104.23.01	2208.20.10	In containers holding 2 li or less	R111,64/li aa	R111,64/li aa
104.23.03	2208.20.90	Other	R111,64/li aa	R111,64/li aa

Tariff Item	Tariff heading	Description	Rate of duty	
			Excise	Customs
104.23	2208.30	Whiskies:		
104.23.05	2208.30.10	In containers holding 2 li or less	R111,64/li aa	R111,64/li aa
104.23.07	2208.30.90	Other	R111,64/li aa	R111,64/li aa
104.23	2208.40	Rum and other spirits obtained by distilling fermented sugarcane products:		
104.2 3.09	2208.40.10	In containers holding 2 li or less	R111,64/li aa	R111,64/li aa
104.23.11	2208.40.90	Other	R111,64/li aa	R111,64/li aa
104.23	2208.50	Gin and Geneva:		
104.23.13	2208.50.10	In containers holding 2 li or less	R111,64/li aa	R111,64/li aa
104.23.15	2208.50.90	Other	R111,64/li aa	R111,64/li aa
104.23	2208.60	Vodka:		
104.23.17	2208.60.10	In containers holding 2 li or less	R111,64/li aa	R111,64/li aa
104.23.19	2208.60.90	Other	R111,64/li aa	R111,64/li aa
104.23	2208.70	Liqueurs and cordials:		
104.23	2208.70.2	In containers holding 2 li or less:		
104.23.21	2208.70.21	With an alcoholic strength by volume exceeding 15 per cent vol. but not exceeding 23 per cent vol.	R45,60/li aa	R45,60/li aa
104.23.22	2208.70.22	Other	R111,64/li aa	R111,64/li aa
104.23	2208.70.9	Other:		
104.23.23	2208.70.91	With an alcoholic strength by volume exceeding 15 per cent vol. but not exceeding 23 per cent vol.	R45,60/li aa	R45,60/li aa
104.23.24	2208.70.92	Other	R111,64/li aa	R111,64/li aa
104.23	2208.90	Other:		
104.23	2208.90.2	In containers holding 2 li or less:		
104.23.25	2208.90.21	With an alcoholic strength by volume exceeding 15 per cent vol. but not exceeding 23 per cent vol.	R45,60/li aa	R45,60/li aa
104.23.26	2208.90.22	Other	R111,64/li aa	R111,64/li aa
104.23	2208.90.9	Other:		
104.23.27	2208.90.91	With an alcoholic strength by volume exceeding 15 per cent vol. but not exceeding 23 per cent vol.	R45,60/li aa	R45,60/li aa
104.23.28	2208.90.92	Other	R111,64/li aa	R111,64/li aa
104.30	24.02	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes:		
104.30	2402.10	Cigars, cheroots and cigarillos, containing tobacco:		
104.30.01	2402.10.10	Imported from Switzerland		R2 306,48/ kg net
104.30.03	2402.10.90	Other	R2 306,48/ kg net	R2 306,48/ kg net
104.30	2402.20	Cigarettes containing tobacco:		
104.30.05	2402.20.10	Imported from Switzerland		R5,16/10 cigarettes
104.30.07	2402.20.90	Other	R5,16/10 cigarettes	R5,16/10 cigarettes
104.30	2402.90.1	Cigars, cheroots and cigarillos of tobacco substitutes:		

Tariff Item	Tariff heading	Description	Rate of duty	
			Excise	Customs
104.30.09	2402.90.12	Imported from Switzerland		R2 306,48/ kg net
104.30.11	2402.90.14	Other	R2 306,48/ kg net	R2 306,48/ kg net
104.30	2402.90.2	Cigarettes of tobacco substitutes:		
104.30.13	2402.90.22	Imported from Switzerland		R5,16/10 cigarettes
104.30.15	2402.90.24	Other	R5,16/10 cigarettes	R5,16/10 cigarettes
104.35	24.03	Other manufactured tobacco and manufactured tobacco substitutes; "homogenised" or "reconstituted" tobacco; tobacco extracts and essences:		
104.35	2403.1	Smoking tobacco, whether or not containing substitutes in any proportion:		
104.35.01	2403.11	Water pipe tobacco specified in Subheading Note 1 to Chapter 24	R128,69/ kg net	R128,69/ kg net
104.35	2403.19	Other:		
104.35.02	2403.19.10	Pipe tobacco, in immediate packings of a content of less than 5 kg	R128,69/ kg net	R128,69/ kg net
104.35.03	2403.19.20	Other pipe tobacco	R128,69/ kg net	R128,69/ kg net
104.35.05	2403.19.30	Cigarette tobacco	R221,04/ kg	R221,04/ kg
104.35	2403.99	Other:		
104.35.07	2403.99.30	Other cigarette tobacco substitutes	R221,04/ kg	R221,04/ kg
104.35.09	2403.99.40	Other pipe tobacco substitutes	R128,69/ kg net	R128,69/ kg net

Printed by Creda Communications

ISBN 978-1-77037-949-7