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STAATSKOERANT

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DEPARTEMENT VAN DIE EERSTE MINISTER

DEPARTMENT OF THE PRIME MINISTER

No. 1532.

13 Julie 1979.

No. 1532.

13 July 1979.

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 104 van 1979: Inkomstebelastingwet, 1979.

It is hereby notified that the State President has assented to the following Act which is hereby published for general information:—

No. 104 of 1979: Income Tax Act, 1979.

Act No. 104, 1979

INCOME TAX ACT, 1979.

GENERAL EXPLANATORY NOTE:

- [** Words in bold type in square brackets indicate omissions from existing enactments.
- Words underlined with solid line indicate insertions in existing enactments.

ACT

To fix the rates of normal tax payable by persons other than companies in respect of taxable incomes for the years of assessment ending on 29 February 1980 and 30 June 1980, and by companies in respect of taxable incomes for years of assessment ending during the period of twelve months ending on 31 March 1980; to provide for the repayment to taxpayers concerned of a certain portion of normal tax paid; to amend the Income Tax Act, 1962; and to provide for incidental matters.

*(English text signed by the State President.)
(Assented to 2 July 1979.)*

BE IT ENACTED by the State President, the Senate and the House of Assembly of the Republic of South Africa, as follows:—

- Rates of normal tax. 1. The rates of normal tax to be levied in terms of section 5 (2) of the Income Tax Act, 1962 (Act No. 58 of 1962), hereinafter referred to as the principal Act, in respect of—
- (a) the taxable income of any person other than a company for the year of assessment ending 29 February 1980 or 30 June 1980; and
- (b) the taxable income of any company determined under the principal Act to have been derived elsewhere than in the territory of South West Africa for any year of assessment ending during the period of twelve months ending on 31 March 1980,
- shall be as set forth in the Schedule to this Act. 15
- Certain portion of normal tax repayable to taxpayers. 2. The portion of the normal tax determined in accordance with the provisions of paragraph 1 (h) or (i) of the Schedule to this Act shall be a loan portion of that tax.
- Amendment of section 1 of Act 58 of 1962, as amended by section 3 of Act 90 of 1962, section 1 of Act 6 of 1963, section 4 of Act 72 of 1963, section 4 of Act 90 of 1964, section 5 of Act 88 of 1965, section 5 of Act 55 of 1966, section 5 of 3. (1) Section 1 of the principal Act is hereby amended—
- (a) by the substitution in the definition of "dependant" for 20 the expression "one hundred rand", wherever it occurs, of the expression "R200";
- (b) by the addition at the end of paragraph (b) of the definition of "married person" of the word "or" and by the addition to the said definition of the following 25 paragraph:
- "(c) any person who is in respect of such period entitled to any abatement under section 5A (3) (a) in respect of a child who is proved to the satisfaction of the Secretary to have been maintained by him during such period wholly or mainly from his own resources derived otherwise than by way of any" 30

Act No. 104, 1979

INCOME TAX ACT, 1979.

Act 95 of 1967,
 section 5 of
 Act 76 of 1968,
 section 6 of
 Act 89 of 1969,
 section 6 of
 Act 52 of 1970,
 section 4 of
 Act 88 of 1971,
 section 4 of
 Act 90 of 1972,
 section 4 of
 Act 65 of 1973,
 section 4 of
 Act 85 of 1974,
 section 4 of
 Act 69 of 1975,
 section 4 of
 Act 103 of 1976,
 section 4 of
 Act 113 of 1977
 and section 3 of
 Act 101 of 1978.

alimony or allowance or maintenance received from the other parent of such child, and who is not a child in respect of whose maintenance his taxable income has been reduced in terms of section 21;";

- (c) by the substitution for the words preceding the proviso to the definition of "pension fund" of the following words:

"'pension fund' means a superannuation, pension, provident, widows' or orphans fund or pension scheme established by law or any such fund established for the benefit of the employees of any local authority, and any fund (other than a retirement annuity fund) not so established which is approved by the Secretary in respect of the year of assessment in question;";

- (d) by the insertion after the definition of "retirement annuity fund" of the following definition:

"'retirement-funding employment' means—

(a) in relation to any employee or the holder of an office (including a member of a body of persons whether or not established by or in terms of any law), the employment of such employee or the holding of such office, as the case may be, if—

(i) in the case of such employee, he derives in respect of such employment any income constituting remuneration as defined in paragraph 1 of Schedule 4 (but leaving out of account the provisions of paragraph (iv) of that definition) and is a member of or, as an employee, contributes to a pension fund or provident fund established for the benefit of employees of the employer from whom such income is derived; or

(ii) in the case of such holder of an office, he derives in respect of his office any income by way of salary, emoluments, fees or other remuneration and is, as respects such office, a member of or contributes to a pension fund or provident fund established—

(aa) by law or for the benefit of holders of offices; or

(bb) for the benefit of employees of the person from whom such income is derived; or

(b) in relation to any member of a partnership who has retained his membership of a pension fund as contemplated in paragraph (b) (v) of the proviso to the definition of 'pension fund' in section 1, his membership of the partnership, as respects that part of his income from the partnership in the form of his share of profits as does not exceed the amount of his pensionable emoluments contemplated in the said paragraph (b) (v);"; and

- (e) by the substitution for the definition of "specified period" of the following definition:

"'specified period', in relation to a year of assessment of any company commencing on or after 1 April 1977, means—

(a) where such year of assessment is the first financial year of such company, the period

Act No. 104, 1979

INCOME TAX ACT, 1979.

commencing on the first day of such year and ending six months after the specified date in respect of such year; and

- (b) where such year of assessment is a subsequent financial year of such company, the period commencing the day after the end of the specified period in respect of the immediately preceding year of assessment and ending six months after the specified date in respect of the year of assessment in question:

Provided that where by reason of the amalgamation under section 94 of the Co-operative Societies Act, 1939 (Act No. 29 of 1939), of two or more agricultural co-operatives (as defined in section 27 (9) of this Act), the assets and liabilities of such co-operatives have vested in a new agricultural co-operative (as so defined), the Secretary may, having regard to the circumstances of the case, direct that the specified period of each of the co-operatives which have so amalgamated, as applicable in relation to the final year of assessment of the co-operative in question be extended so as to end on such day as the Secretary may determine.”

(2) The amendment effected by subsection (1) (e) shall, for the purposes of assessments made upon co-operative societies and companies and their members under the principal Act, be deemed to have taken effect from the commencement of years of assessment commencing on or after 1 April 1977.

4. Section 4 of the principal Act is hereby amended by the substitution for the provisos to subsection (1) of the following proviso:

“Provided that—

- (a) any information obtained by the Secretary in the performance of his duties under the provisions of this Act or any previous Income Tax Act may be used by him for the purposes of the provisions of any other fiscal law administered by him; **【Provided further that】**
- (b) the **【Controller and】** Auditor-General shall in the performance of his duties in terms of section **【11 (1)】** 42 (1) of the Exchequer and Audit Act, **【1956】** 1975 (Act No. **【23】** 66 of **【1956】** 1975), have access to documents in the possession or custody of the Secretary.”

5. Section 5A of the principal Act is hereby amended—

- (a) by the substitution in subsection (2) (a) for the expression “one thousand two hundred rand” of the expression “R1 500”;
- (b) by the substitution in subsection (2) (b) for the expression “seven hundred rand” of the expression “R1 000”;
- (c) by the substitution in subsection (3) (a) for the expression “five hundred rand” of the expression “R600”;
- (d) by the substitution in paragraph (aa) of the proviso to subsection (3) (a) for the expression “six hundred rand” of the expression “R700”;
- (e) by the deletion of paragraph (dd) of the said proviso;
- (f) by the substitution in subsection (3) (d) for the words following subparagraph (iv) and preceding the provisos of the following words:

“but subject to a maximum abatement under this paragraph of **【one thousand rand】** R1 200 where the taxpayer is a married person or is entitled to **【the further abatement referred to in paragraph (dd) of the proviso to paragraph (a) or】** an abatement under paragraph (f), or **【seven**

Amendment of section 4 of Act 58 of 1962, as amended by section 6 of Act 55 of 1966.

Amendment of section 5A of Act 58 of 1962, as inserted by section 6 of Act 88 of 1971 and amended by section 5 of Act 85 of 1974, section 5 of Act 69 of 1975 and section 6 of Act 113 of 1977.

Act No. 104, 1979

INCOME TAX ACT, 1979.

hundred and fifty rand] R950 in any other case;”;

- (g) by the substitution in subsection (3) (e) for the expression “one hundred rand” of the expression “R200”;
- (h) by the substitution in subsection (3) (f) for the expression “two hundred and fifty rand”, wherever it occurs, of the expression “R350”;
- (i) by the substitution in subsection (3) (g) for the expression “seven hundred rand”, wherever it occurs, of the expression “R1 000”;
- (j) by the substitution in subsection (5) for the expression “two rand”, wherever it occurs, of the expression “one rand”.

Insertion of section 6quin in Act 58 of 1962.

6. (1) The following section is hereby inserted in the principal Act after section 6quat:

“Rebate in respect of normal tax payable by persons (other than companies) ordinarily resident in the port or settlement of Walvis Bay.

6quin. (1) In respect of the years of assessment mentioned in paragraphs (a), (b), (c) and (d) of subsection (2), there shall be deducted from the normal tax (as calculated before the addition of any sum which in terms of any Income Tax Act is a loan portion of such tax) payable by any person (other than a company) who—

- (a) was ordinarily resident in the port or settlement of Walvis Bay for a period of not less than 183 days in the aggregate during the year of assessment; and
- (b) was so ordinarily resident on the last day of such year of assessment,

an amount (to be known as the Walvis Bay rebate) determined in accordance with the provisions of subsection (2).

(2) The Walvis Bay rebate shall be determined on the amount by which the normal tax (calculated as aforesaid) payable by the person referred to in subsection (1) exceeds the normal tax which was payable in respect of an equivalent taxable income by any person (other than a company) ordinarily resident in the port or settlement of Walvis Bay for the year of assessment ended 28 February 1977, and shall be—

- (a) in respect of the year of assessment ended 28 February 1978, an amount equal to 100 per cent of such excess;
- (b) in respect of the year of assessment ended 28 February 1979, an amount equal to 75 per cent of such excess;
- (c) in respect of the year of assessment ending 29 February 1980, an amount equal to 50 per cent of such excess;
- (d) in respect of the year of assessment ending 28 February 1981, an amount equal to 25 per cent of such excess.”

(2) The amendment effected by subsection (1) shall, for the purposes of assessments under the principal Act, be deemed to have taken effect from the commencement of years of assessment ended or ending on or after 28 February 1978.

Amendment of section 10 of Act 58 of 1962, as amended by section 8 of Act 90 of 1962, section 7 of Act 72 of 1963, section 8 of Act 90 of 1964, section 10 of Act 88 of 1965, section 11 of Act 55 of 1966,

7. (1) Section 10 of the principal Act is hereby amended—

- (a) by the substitution for subparagraph (ii) of paragraph (i) of subsection (1) of the following subparagraph:

“(ii) so much of the interest on Post Office Savings Bank Certificates held by any one person as does not exceed the sum of eight hundred rand the interest which would be derived in the year of assessment on an amount of R10 000 invested in such certificates;”;
- (b) by the deletion of subparagraph (vi) of the said paragraph (i);

Act No. 104, 1979

INCOME TAX ACT, 1979.

section 10 of Act 95 of 1967, section 8 of Act 76 of 1968, section 13 of Act 89 of 1969, section 9 of Act 52 of 1970, section 7 of Act 90 of 1972, section 7 of Act 65 of 1973, section 10 of Act 85 of 1974, section 8 of Act 69 of 1975, section 9 of Act 103 of 1976, section 8 of Act 113 of 1977 and section 4 of Act 101 of 1978.

- (c) by the deletion of subparagraph (xi) of the said paragraph (i);
- (d) by the deletion of subparagraph (xiB) of the said paragraph (i);
- (e) by the insertion after subparagraph (xiD) of the said paragraph (i) of the following subparagraph:
 “(xiDA) so much of the interest on Republic of South Africa 7 per cent Treasury Bonds as in the case of any taxpayer is derived in respect of that portion of the total amount invested in such bonds which is equal to the amount of R40 000 less the total amount invested in 8 per cent Treasury Bonds;”;

- (f) by the substitution for subparagraph (xiii) of the said paragraph (i) of the following subparagraph:
 “(xiii) in the case of a taxpayer who is a natural person, so much of the aggregate of the amounts received or accrued as dividends on Special Tax-Free Indefinite Period shares in building societies as does not **[exceed eight hundred rand]** in any year of assessment exceed—
- (aa) in the case of such shares as were applied for on or before 30 September 1978, R800;
- (bb) in the case of such shares as were or are applied for after 30 September 1978, so much of the dividends on such shares as are derived in respect of that portion of the total amount invested in such shares which is equal to the amount of R10 000 less the total amount invested in such shares as were applied for on or before 30 September 1978:

Provided that this exemption shall not apply—

- (aa) in respect of any such dividend the rate of which exceeds—
- (i) in the case of such shares applied for on or before 30 September 1978, 8 per cent per annum; or
- (ii) in the case of such shares applied for after 30 September 1978, 7 per cent per annum; or
- (bb) in respect of any such dividend which becomes payable by a building society after the expiration of a period of five years reckoned from the date of the application to the building society concerned for the shares on which such dividend is payable; or
- (cc) in respect of any dividend on any such shares for which application is made to a building society on or after a date notified by the Minister of Finance in the *Gazette*;;

- (g) by the addition to paragraph (i) of subsection (1) of the following subparagraph:
 “(ix) of the South African Special Risks Insurance Association (Incorporated Association not for Gain), a company registered under the Companies Act, 1973 (Act No. 61 of 1973), on 25 January 1979.”;

- (h) by the substitution in subsection (1) (x) for the expression “twelve thousand rand” of the expression “R15 000”.

(2) The amendments effected by subsections (1) (e) and (g) shall, for the purposes of assessments under the principal Act, be deemed to have taken effect as from the commencement of years of assessment ended or ending on or after 1 January 1979.

Act No. 104, 1979

INCOME TAX ACT, 1979.

Amendment of section 11 of Act 58 of 1962, as amended by section 9 of Act 90 of 1962, section 8 of Act 72 of 1963, section 9 of Act 90 of 1964, section 11 of Act 88 of 1965, section 12 of Act 55 of 1966, section 11 of Act 95 of 1967, section 9 of Act 76 of 1968, section 14 of Act 89 of 1969, section 10 of Act 52 of 1970, section 10 of Act 88 of 1971, section 8 of Act 90 of 1972, section 9 of Act 65 of 1973, section 12 of Act 85 of 1974, section 11 of Act 69 of 1975, section 9 of Act 113 of 1977 and section 5 of Act 101 of 1978.

8. (1) Section 11 of the principal Act is hereby amended—

(a) by the substitution for the proviso to subparagraph (i) of paragraph (k) of the following proviso:

“Provided that the total deduction to be allowed in respect of contributions by such person to any pension fund or funds not established by law or for the benefit of employees of a local authority shall not in the year of assessment exceed **the sum of one thousand seven hundred and fifty rand** the greater of R1 750 or 7,5 per cent of the remuneration (being the income or part thereof referred to in the definition of ‘retirement-funding employment’ in section 1) derived by such person during such year in respect of his retirement-funding employment;”;

(b) by the substitution for paragraph (l) of the following paragraph:

“(l) any sum contributed by **the taxpayer** an employer during the year of assessment for the benefit of his employees to any pension fund, provident fund or benefit fund: Provided that—

(i) in respect of any lump sum contribution, the Secretary may determine that the said sum shall be deducted in a series of annual instalments, so that only a portion thereof is deducted in the year of assessment in which it is contributed, and the residue in such subsequent years of assessment and in such proportions as the Secretary may determine, until the contribution is extinguished;

(ii) if the contributions (including any lump sum payments) made by the **taxpayer** employer in respect of any employee during any year of assessment to such funds exceed an amount equal to ten per cent of the approved remuneration of such employee for such year of assessment, and the Secretary is satisfied that the aggregate of such contributions and the total remuneration accrued during such year of assessment to such employee in respect of his employment by the **taxpayer** employer is excessive or unjustifiable in relation to the value of the services rendered by such employee to the **taxpayer** employer, and having regard to other benefits, if any, derived by him from his employment by the **taxpayer** employer, only so much of such contributions as appears to the Secretary to be reasonable, but not less than an amount equal to ten per cent of the approved remuneration of such employee for such year of assessment, shall be allowed to be deducted under this paragraph;

(iii) **and** for the purposes of paragraph (ii) of this proviso ‘approved remuneration’, in relation to any employee for any year of assessment, means so much of the total remuneration accrued to such employee during such year of assessment in respect of his employment by the **taxpayer** employer concerned

Act No. 104, 1979

INCOME TAX ACT, 1979.

as the Secretary considers to be fair and reasonable in relation to the value of the services rendered by such employee during such year of assessment to the **taxpayer** employer and having regard to other benefits, if any, derived by him from his employment by the **taxpayer** employer;

(iv) where any contributions are made to any such fund by the members of a partnership in their capacity as employers, the references in paragraph (ii) of this proviso to an employer shall be construed as applying to the partnership as though its members were one person;

(v) the references in this paragraph to employees or any employee shall, where the employer is a partnership and contributions are made by the employer to a pension fund, be construed as including references to any member of such partnership who was previously an employee in the undertaking carried on by the partnership and who has been permitted to retain his membership of such pension fund as contemplated in paragraph (b) (v) of the definition of 'pension fund' in section 1, and, for the purposes of paragraphs (ii) and (iii) of this proviso 'approved remuneration', in relation to such member, shall be construed as including the amount of his pensionable emoluments referred to in the said paragraph (b) (v);

(iii) (vi) any decision of the Secretary under this paragraph, not being a decision under paragraph (i) of this proviso, shall be subject to objection and appeal;

(c) by the substitution for subparagraph (aa) of paragraph (n) of the following subparagraph:

"(aa) so much of the total current contributions to any retirement annuity fund or funds made by any **person** taxpayer as a member of such fund or funds during a year of assessment during which **such person** the taxpayer has carried on any trade as does not in the year of assessment exceed **three thousand five hundred rand** in the case of the taxpayer [or, where the taxpayer is entitled to a deduction under paragraph (k) (i), the amount by which the amount of the deduction under the said paragraph is less than **three thousand five hundred rand**] the greatest of—

- (A) 15 per cent of an amount equal to the amount remaining after deducting from the income derived by the taxpayer from trade during the year of assessment (excluding income derived from any retirement-funding employment (being the income or part thereof referred to in the definition of retirement-funding employment in section 1)) the deductions admissible against such income under this Act, excluding this paragraph, section 17A of this Act and paragraph 12 (1) (c) to (j), inclusive, of the First Schedule; or
- (B) the amount, if any, by which the amount of R3 500 exceeds the amount of any

Act No. 104, 1979

INCOME TAX ACT, 1979.

deduction to which the taxpayer is entitled under paragraph (k) (i) in respect of the said year; or

(C) the amount of R1 750:

Provided that—

(i) where any person has become a member of a retirement annuity fund before the date of commencement of the Income Tax Act, 1968, such person's contributions to such fund during the year of 5 assessment shall qualify for deduction under this paragraph in the same manner as the aforesaid contributions if the Secretary is satisfied that the contributions would, in accordance with the 15 general practice prevailing immediately prior to the said date, have qualified for deduction under this **[paragraph] subparagraph** before the amendment thereof by the said Act; 20

(ii) no deduction shall be made under this subparagraph in respect of any amount paid into a retirement annuity fund for the benefit of a member of such fund where such amount is a lump sum benefit 25 derived by the member from a pension fund, a provident fund or a retirement annuity fund and that amount has under the provisions of paragraph 6 (a), (b) or 30 (c) of the Second Schedule qualified for deduction from any amount to be included in the member's gross income;

[(ii)] (iii) the deductions under the foregoing provisions of this subparagraph shall not exceed an amount equal to the amount 35 remaining after deducting from the income derived by the taxpayer from trade during the year of assessment the deductions admissible against such income under this Act, excluding this **[para-** 40 **graph] subparagraph**, section 17A of this Act and paragraph 12 (1) (c) to (j), inclusive, of the First Schedule;

[(iii)] (iv) **[any amount disallowed as a deduction solely under proviso (ii)]** any 45 current contributions (excluding any amount referred to in paragraph (ii) of this proviso) to any retirement annuity fund or funds which are made by such person as a member of such fund or funds 50 during a year of assessment during which he has carried on any trade and do not qualify for deduction from his income for that year shall be carried forward and, except to the extent that such contribu- 55 tions have been accounted for under paragraph (d) of the definition of 'formula B' in paragraph 1 of the Second Schedule or the first proviso to paragraph 6 of that Schedule, be deemed for the 60 purposes of this paragraph to be current contributions made to the fund or funds in question during the next succeeding year of assessment;".

Act No. 104, 1979

INCOME TAX ACT, 1979.

(2) The amendment effected by subsection (1) (b) shall, for the purposes of assessments under the principal Act, be deemed to have taken effect as from the commencement of years of assessment ended or ending on or after 28 February 1979.

Substitution of section 11*sept* of Act 58 of 1962, as inserted by section 14 of Act 85 of 1974 and amended by section 11 of Act 103 of 1976 and section 12 of Act 113 of 1977.

9. (1) The following section is hereby substituted for section 5 11*sept* of the principal Act:

“Employees training allowance. 11*sept*. (1) For the purposes of this section— ‘employee’ means—

- (a) in relation to any Black, an employee as defined in section 1 of the Black Employees’ In-Service Training Act, 1976 (Act No. 86 of 1976); 10
 (b) in relation to any person other than a Black, an employee as defined in section 1 of the In-Service Training Act, 1979;

‘registrar’ means the Registrar of Training Schemes appointed under section 6 of the In-Service Training Act, 1979; 15

‘training premises’ means any building or other premises used wholly or mainly for the purposes of any training centre or scheme; 20

‘training centre or scheme’ means a centre or scheme for the training of **Black workers** employees which is established, approved or recognized under the Black Employees’ In-Service Training Act, 1976 (Act No. 86 of 1976), or the In-Service Training Act, 1979, or is deemed to have been established, approved or recognized under the provisions of **that** the former Act, provided— 25

- (a) the training provided in such centre or under such scheme has been approved by the Secretary for **Black** Education and Training or the registrar for the purposes of this section; and 30
 (b) such centre or scheme has not, as it concerns the taxpayer, ceased to be a training centre or scheme, as contemplated in subsection (2). 35

(2) For the purposes of this section, where the Secretary for **Black** Education and Training or the registrar has, by way of a written notification addressed to the administrator, manager or controller of a training centre or scheme or to the employer concerned, notified such person that the training provided in such centre or under such scheme is no longer approved as contemplated in paragraph (a) of the definition of ‘training centre or scheme’ in subsection (1), or where, under the provisions of the Black Employees’ In-Service Training Act, 1976, or the In-Service Training Act, 1979, any training centre has been closed or the approval or recognition of any training centre or scheme has been withdrawn, the training centre or scheme in question shall, as it concerns any taxpayer, be deemed to have ceased to be a training centre or scheme as from the beginning of the first year of assessment of the taxpayer succeeding the year of assessment of the taxpayer during which the said notification was issued or such training centre was closed or the approval or recogni- 40 45 50 55

tion of such training centre or scheme was withdrawn, as the case may be.

(3) If any taxpayer in the course of any trade (other than mining) carried on by him in the Republic has during any year of assessment incurred training expenses, determined as provided in subsections (5), (6) and (7), in respect of **Black workers** employees employed by him for the purposes of the said trade, there shall be allowed as a deduction from his income for that year of assessment an allowance (to be known as the **Black workers** employees training allowance) the amount of which shall, subject to the provisions of subsection (4), be a sum equal to one hundred per cent of such training expenses.

(4) Where the aforesaid training expenses in whole or in part consist of an amount, determined to the satisfaction of the Secretary, which represents training expenses incurred in respect of **Black workers** employees employed by the taxpayer for the purposes of any trade carried on by him in an economic development area and in the course of which a process of manufacture, or any other process which in the opinion of the Secretary is of a similar nature, is carried on, the **Black workers** employees training allowance in respect of the said amount shall, if the Minister of Finance, having regard to the circumstances of the case, so directs, be calculated at such percentage exceeding one hundred per cent, but not exceeding one hundred and twenty-five per cent, of the said amount as the said Minister may direct.

(5) For the purposes of this section the training expenses incurred by a taxpayer in the course of any trade (other than mining) shall, subject to the provisions of subsections (6) and (7), be determined as the sum of so much of the amounts which have been allowed under section 11 to be deducted from the income derived by him from carrying on that trade during the relevant year of assessment as the Secretary is satisfied relates to the training of **Black workers** employees employed by the taxpayer for the purposes of such trade and consist of—

(a) the remuneration of instructional, supervisory and clerical personnel in respect of the services of such personnel which are directly connected with the operation of a training centre or scheme, including so much of the contributions made by the taxpayer to any benefit fund, pension fund or provident fund, as relate to such personnel and would, if treated as remuneration, relate to the said services;

(b) the remuneration of **Black** trainees in respect of training periods under a training centre or scheme, less so much of such remuneration as may, on the basis of a fair and reasonable apportionment, be regarded as having been incurred in respect of productive work done by such trainees during the training periods in question;

(c) expenditure in respect of training premises or equipment used wholly or mainly for the purposes of a training centre or scheme, including—

Act No. 104, 1979

INCOME TAX ACT, 1979.

- (i) rent for such premises or equipment;
 - (ii) maintenance costs and the cost of repairs;
 - (iii) property rates levied by a municipality or a similar authority;
 - (iv) insurance of such premises or equipment; 5
 - (v) interest on any loan incurred in order to finance the cost of acquisition, erection, construction of or of any extension or addition to such premises or equipment;
- (d) any allowance granted under section 11 (e) in respect of equipment wholly or mainly used for the purposes of a training centre or scheme; 10
- (e) the cost of materials, fuel or power consumed for the purposes of a training scheme, less so much of such cost as may, on the basis of a fair and reasonable apportionment, be regarded as having been incurred in respect of materials, fuel or power consumed in respect of productive work done by the trainees in such centre or under such scheme; 15 20
- (f) travelling expenses incurred in the operation of a training centre or scheme;
- (g) fees paid in respect of the training of [Black] trainees at or under a training centre or scheme not operated by the taxpayer or the tuition of instructors employed for the purposes of a training centre or scheme; 25
- (h) expenditure of any other nature directly incurred in the operation of a training centre or scheme.

(6) Where any amounts which have been included in training expenses incurred by any taxpayer (as determined under subsection (5) in respect of the current or any previous year of assessment) are recovered or recouped by the taxpayer, the training expenses incurred by the taxpayer (as determined under the said subsection) during the year of assessment of the taxpayer during which the said amounts are so recovered or recouped shall be reduced by so much of those amounts as does not exceed such last-mentioned training expenses, and the amount of such reduction shall not be included in the taxpayer's income under the provisions of section 8 (4) as a recovery or recoupment of an amount allowed as a deduction under this section: Provided that where any subsidy is payable to the taxpayer in respect of remuneration referred to in paragraph (a) of subsection (5), such subsidy shall for the purposes of this section be deemed to be an amount recovered or recouped by the taxpayer during the year of assessment of the taxpayer in respect of which the said remuneration was taken into account under the said paragraph. 30 35 40 45 50

(7) In the case of a training centre or scheme established, approved or recognized under the Black Employees' In-Service Training Act, 1976, the training expenses determined under subsection (5) shall be restricted to such expenditure as is incurred on or after 1 April 1974 and to so much of any allowance referred to in paragraph (d) of the said subsection as relates to any period commencing on or after the said date. 55 60

Act No. 104, 1979

INCOME TAX ACT, 1979.

(8) In the case of a training centre or scheme established, approved or recognized under the In-Service Training Act, 1979, the training expenses determined under subsection (5) shall be restricted to such expenditure as is incurred on or after the date on which that Act comes into operation and to so much of any allowance referred to in paragraph (d) of the said subsection as relates to any period commencing on or after the said date. 5

[(8)] (9) Any decision of the Secretary in the 10 exercise of any discretionary power conferred on him by this section shall be subject to objection and appeal."

(2) In so far as section 11 *sept* of the principal Act is amended by the replacement thereof by subsection (1) of this section, the 15 said subsection (1) shall, for the purposes of assessments under the principal Act, take effect in respect of years of assessment ending on or after the date on which the In-Service Training Act, 1979, comes into operation.

Amendment of section 12 of Act 58 of 1962, as substituted by section 15 of Act 55 of 1966 and amended by section 12 of Act 52 of 1970, section 11 of Act 88 of 1971, section 11 of Act 90 of 1972, section 12 of Act 65 of 1973, section 15 of Act 85 of 1974, section 11 of Act 69 of 1975, section 13 of Act 113 of 1977 and section 6 of Act 101 of 1978.

10. Section 12 of the principal Act is hereby amended— 20
(a) by the addition to subsection (1) of the following proviso:

"Provided that no deduction shall be allowed under this subsection in respect of any machinery or plant contained in or forming part of any ship which is 25 for the purposes of section 14 a South African ship which is used by the taxpayer for the purposes contemplated in subsection (1) (b) of that section, if the cost of such machinery or plant has been included in the adjustable cost of such ship as 30 defined in subsection (2) of that section;" and

(b) by the substitution in paragraph (b) of subsection (2) for the words preceding the proviso of the following words:
“(b) was or is first let by any taxpayer on or after 17 August 1966 and on or before 30 June 1979 and is 35 on or before the latter date brought into use by the lessee for the purposes of the lessee’s trade (other than mining or farming) and is used by the lessee directly in a process of manufacture carried on by him or any other process carried on by him which 40 in the opinion of the Secretary is of a similar nature.”

Amendment of section 14 of Act 58 of 1962, as substituted by section 19 of Act 55 of 1966 and amended by section 17 of Act 85 of 1974 and section 12 of Act 103 of 1976.

11. Section 14 of the principal Act is hereby amended by the substitution for paragraph (c) of the definition of “foreign-going ship” in subsection (2) of the following paragraph: 45

“(c) a ship of [more than one thousand] not less than two hundred gross register tons exclusively employed in sea fishing or seal catching; or”.

Amendment of section 20A of Act 58 of 1962, as inserted by section 19 of Act 89 of 1969 and amended by section 16 of Act 52 of 1970, section 15 of Act 90 of 1972, section 19 of Act 85 of 1974, section 17 of Act 69 of 1975 and section 15 of Act 113 of 1977.

12. Section 20A of the principal Act is hereby amended by the substitution in subsection (1) for the expression “seven hundred 50 and fifty rand”, wherever it occurs, of the expression “R900”.

Act No. 104, 1979

INCOME TAX ACT, 1979.

Substitution of section 24B of Act 58 of 1962, as inserted by section 9 of Act 101 of 1978.

13. (1) The following section is hereby substituted for section 24B of the principal Act:

"Gains or losses on foreign exchange transactions.

24B. (1) Where any taxpayer has on or after 29 March 1978 ~~repaid~~ paid any amount owed by him in respect of any loan or advance in a foreign currency or of any debt incurred ~~any credit~~ in a foreign currency ~~which was utilized by the taxpayer for the purpose of incurring expenditure designed to produce income derived by the taxpayer from carrying on in the Republic any commercial, industrial or mining undertaking~~ and in ~~repaying~~ paying such ~~credit~~ amount, has realized a gain or sustained a loss, such gain shall in the determination of the taxpayer's taxable income be included in the taxpayer's income or such loss shall in the said determination be deducted from the taxpayer's income, ~~unless, when such credit was so utilized, a forward exchange contract was available to the taxpayer in respect of the repayment of the credit~~ if such loan or advance was utilized or such debt was incurred by the taxpayer for the purpose of incurring or financing expenditure incurred by the taxpayer or, where the taxpayer is a company, by an associated company in relation to the taxpayer, in order to produce income derived by the taxpayer or associated company, as the case may be, from carrying on any business undertaking in the Republic.

(2) Such gain or loss shall be deemed to be the difference between the equivalent in the currency of the Republic of the amount ~~of the credit~~ referred in in subsection (1), when ~~it~~ the loan or advance in question was utilized or the debt was incurred by the taxpayer as aforesaid, and the equivalent amount in the currency of the Republic actually required to ~~repay~~ pay the ~~credit~~ said amount, and such gain or loss shall be deemed to have been realized or sustained at the time when the ~~credit~~ said amount was ~~repaid~~ paid: Provided that where, subsequent to the date on which the ~~credit~~ loan or advance was utilized or the debt was incurred, any change in foreign currency rates occurred in consequence of which the ~~taxpayer's income or taxable income was adjusted for normal tax purposes, such adjustment~~ difference between the value of the said amount (or a portion thereof) on the said date and the value thereof when the change in foreign currency rates occurred was taken into account for normal tax purposes, the amount so taken into account shall be ~~taken into account~~ suitably accounted for for the purposes of determining the said gain or loss.

(3) Any gain realized or any loss sustained by reason of a change in foreign currency exchange rates shall, to the extent that such gain is required to be included in the taxpayer's income under any other provision of this Act or to the extent that such loss is allowable as a deduction from the taxpayer's income under any other provision of this Act, not be included

in or be allowed as a deduction from the taxpayer's income under this section, as the case may be.

(4) There shall be included in the taxpayer's income for any year of assessment so much of any loss allowed to be deducted from his income under this section as has been recovered or recouped by him during such year, whether the loss was incurred in that year or in any previous year of assessment.

(5) Where any taxpayer has obtained and utilized any loan or advance in a foreign currency for the purpose of repaying any amount owed by him in respect of a loan or advance in foreign currency utilized for a purpose contemplated in subsection (1) or of any debt incurred by him for such a purpose, the loan or advance so obtained shall, to the extent that it does not exceed the said amount, be deemed for the purposes of this section to have been utilized by the taxpayer for the said purpose.

(6) (a) Any loss sustained upon the repayment of the amount referred to in subsection (5) shall not be allowed as a deduction from the taxpayer's income under the provisions of subsection (1) unless the Secretary is satisfied that in obtaining the loan or advance which was obtained, as contemplated in subsection (5), the obtaining of the loan or advance was not arranged solely or mainly for the purpose of benefiting by a deduction from income: Provided that the Secretary may authorize that such loss be carried forward to a subsequent year of assessment in order to be dealt with in such manner and in such circumstances as the Secretary may direct.

(b) Any decision of the Secretary in the exercise of his discretion under paragraph (a) shall be subject to objection and appeal.

(7) There shall be allowed as a deduction from the income of any taxpayer who has obtained foreign currency under a forward exchange contract and has utilized such currency for a purpose contemplated in subsection (1), any premium or other consideration paid by him under such contract for the purpose of obtaining such currency and which is not deductible from his income under any other provision of this Act.

[(3)] (8) For the purposes of this section—

'associated company', in relation to another company,
means a company which, in the opinion of the Secretary, is associated with such other company by reason of the fact that both companies are managed or controlled directly or indirectly by substantially the same persons;

'forward exchange contract' means any agreement with an authorized dealer in foreign currencies in the Republic, whereby currency of the Republic is exchanged for a foreign currency at some future date at a specified rate of exchange."

(2) In so far as section 24B of the principal Act is amended by the replacement thereof by subsection (1) of this section, the said subsection (1) shall, for the purposes of assessments under the principal Act, be deemed to have taken effect as from the commencement of years of assessment ended or ending on or after 29 March 1978.

14. (1) Section 64C of the principal Act is hereby amended—

(a) by the substitution for paragraph (i) of the proviso to paragraph (fA) of the following paragraph:

Act No. 104, 1979

INCOME TAX ACT, 1979.

Act 95 of 1967
and amended by
section 15 of
Act 76 of 1968,
section 36 of
Act 89 of 1969,
section 21 of
Act 52 of 1970,
section 26 of
Act 88 of 1971,
section 20 of
Act 90 of 1972,
section 42 of
Act 85 of 1974
and section 22 of
Act 113 of 1977.

- “(i) in respect of any such dividend the rate of which exceeds—
(aa) in the case of any of the said shares applied for on or before 30 September 1978, 8 per cent per annum; or
(bb) in the case of any of the said shares applied for after 30 September 1978, 7 per cent per annum; or”;
- (b) by the insertion after paragraph (fB) of the following paragraph:
“(fC) interest accruing to any person (other than a company) who is ordinarily resident in a country other than the Republic in which a banking institution registered under the Banks Act, 1965 (Act No. 23 of 1965), carries on business, or to a company which is managed and controlled in such country, in respect of any loan to or deposit in such banking institution made through any branch or agency of such banking institution in that country;”;
- (c) by the substitution for subparagraph (i) of paragraph (k) of the following subparagraph:
“(i) the loan will be used for long-term industrial or mining development in the Republic (including the territory) or for such housing or community development schemes in the Republic as the said Minister, in consultation with the Minister of Community Development, may approve;”.
- (2) The amendment effected by subsection (1) (c) shall be deemed to have taken effect on 1 December 1978.

Amendment of
section 83 of
Act 58 of 1962,
as amended by
section 21 of
Act 90 of 1964
and section 22 of
Act 103 of 1976.

15. (1) Section 83 of the principal Act is hereby amended by the insertion after subsection (18) of the following subsection:
“(19) (a) The President of the court may indicate which judgments or decisions of the court he considers ought to be published for general information.
- (b) A copy of any judgment or decision of the court so indicated by the President of the court shall be referred by the registrar of the court to the appellant or his representative concerned in the case in such form as does not reveal the identity of such appellant, with a written request that the appellant give his consent in writing to the publication thereof in that form or any other suitable form which the appellant may approve.
- (c) Where the appellant fails to give his written consent to such publication within 30 days after being requested by the registrar of the court to do so, or after the expiry of any extension of that period which the registrar may grant, the registrar shall refer the matter to the President of the court who, if he is satisfied—
(i) that the appellant's consent to publication of the relevant judgment or decision in a suitable form has been unreasonably withheld; and
(ii) that such judgment or decision is in a form which does not reveal the identity of the appellant concerned in the case,
may authorize the publication of such judgment or decision in that form or any other form which he may deem fit.”.

- (2) Regulation B.15 published in Government Notice R.105 of 22 January 1965 is hereby repealed.

Act No. 104, 1979

INCOME TAX ACT, 1979.

Amendment of paragraph 19 of First Schedule to Act 58 of 1962, as added by section 28 of Act 95 of 1967 and amended by section 43 of Act 89 of 1969, section 33 of Act 88 of 1971, section 22 of Act 90 of 1972, section 32 of Act 69 of 1975 and section 30 of Act 103 of 1976.

16. Paragraph 19 of the First Schedule to the principal Act is hereby amended by the addition to subparagraph (1) of the following further proviso:

“Provided further that the tax payable by the taxpayer in respect of any period of assessment shall not be determined under this subparagraph at an amount exceeding the amount of tax which would have been payable by the taxpayer under the provisions of this Act if this paragraph had not been applicable.”

Amendment of paragraph 1 of Second Schedule to Act 58 of 1962, as amended by section 31 of Act 90 of 1962, section 23 of Act 90 of 1964, section 34 of Act 88 of 1971, section 34 of Act 69 of 1975 and section 26 of Act 113 of 1977.

17. (1) Paragraph 1 of the Second Schedule to the principal Act is hereby amended—

(a) by the addition to the proviso to the definition of “formula A” of the following paragraph:

“(c) in the case of a member of a pension fund who was permitted to retain his membership of such fund in the circumstances contemplated in paragraph (b) (v) of the definition of ‘pension fund’ in section 1 of this Act, the period of employment of such member shall be deemed to include the period during which he continued to be a member after becoming a partner, and for the purpose of determining his average salary he shall be deemed to have earned during the last-mentioned period a salary calculated at the rate at which the amount of his pensionable emoluments contemplated in the said paragraph (b) (v) was payable during the twelve months referred to in that paragraph;”

(b) by the substitution for subparagraph (d) of the definition of “formula B” of the following subparagraph:

“(d) ‘E’ represents the sum of the taxpayer’s own contributions to any pension funds [and], provident funds and retirement annuity funds of which he is or was a member and from which any lump sum benefits were or may be derived in consequence of or following upon his retirement or death on or after the fifteenth day of March, 1961, including so much of the amounts paid into such funds for his benefit by other pension funds [or], provident funds or retirement annuity funds as represented his own contributions to such other funds, but excluding so much of any such contributions or amounts representing contributions as ranked for deduction against the taxpayer’s income in terms of [paragraph (k) of] section [eleven] 11 (k) or (n) of this Act or the corresponding provisions of any previous Income Tax Act: Provided that for the purposes of this definition the surrender value of any policy of insurance ceded or otherwise made over to the taxpayer by any pension [or], provident or retirement annuity fund and ceded or otherwise made over by the taxpayer to any other pension [or], provident or retirement annuity fund, or any amount paid by the taxpayer into the latter fund in lieu of or as representing such surrender value or a portion thereof, shall be deemed to be an amount paid into the latter fund by the former fund for the benefit of the taxpayer.”

(2) The amendment effected by subsection (1) (a) shall, for the purposes of assessments under the principal Act, be deemed to

Act No. 104, 1979

INCOME TAX ACT, 1979.

have taken effect as from the commencement of years of assessment ending or ended on or after 28 February 1979.

Amendment of paragraph 6 of Second Schedule to Act 58 of 1962, as substituted by section 26 of Act 90 of 1964.

18. Paragraph 6 of the Second Schedule to the principal Act is hereby amended by the substitution for the first proviso of the following proviso: 5

“Provided that in respect of any lump sum benefits so derived by the taxpayer from any pension fund [or], provident fund or retirement annuity fund the sum of the deductions under this paragraph shall not be less than the lesser of either the aggregate value of such lump sum benefits or the sum of the taxpayer’s own contributions to such fund, including so much of any amounts paid into such fund for his benefit by any other pension fund [or], provident fund or retirement annuity fund as represented his own contributions to such other fund, but excluding so much of such contributions and amounts representing contributions as ranked for deduction against the taxpayer’s income in terms of [paragraph (k) of] section [eleven] 11 (k) or (n) of this Act or the corresponding provisions of any previous Income Tax Act.” 10 15 20

Amendment of paragraph 18 of Fourth Schedule to Act 58 of 1962, as added by section 19 of Act 6 of 1963 and amended by section 28 of Act 90 of 1964, section 42 of Act 88 of 1971 and section 49 of Act 85 of 1974.

19. Paragraph 18 of the Fourth Schedule to the principal Act is hereby amended by the substitution in subparagraph (1) (a) for the expression “five hundred rand” of the expression “R1 000”. 25

Commencement of certain amendments.

20. Save in so far as is otherwise provided therein, or the context otherwise indicates, the amendments effected to the principal Act by this Act, shall, for the purposes of assessments in respect of normal tax and undistributed profits tax under the principal Act, be deemed to have taken effect as from the commencement of years of assessment ending on or after 1 January 1980. 30

Short title.

21. This Act shall be called the Income Tax Act, 1979.

Act No. 104, 1979

INCOME TAX ACT, 1979.

Schedule

RATES OF NORMAL TAX PAYABLE BY PERSONS OTHER THAN COMPANIES IN RESPECT OF THE YEARS OF ASSESSMENT ENDING 29 FEBRUARY 1980 AND 30 JUNE 1980, AND BY COMPANIES IN RESPECT OF YEARS OF ASSESSMENT ENDING DURING THE PERIOD OF TWELVE MONTHS ENDING 31 MARCH 1980.

(Section 1 of this Act)

1. The rates of normal tax referred to in section 1 of this Act are as follows:—

(a) in respect of the taxable income of any person other than a company, an amount of tax calculated in accordance with the tables below on the taxable amount of such person:

Tables

Taxable Amount	Rates of tax in respect of married persons
Where the taxable amount—	
does not exceed R1 000	7 per cent of each R1 of the taxable amount;
exceeds R 1 000 but does not exceed R 2 000	R70 plus 8 per cent of the amount by which the taxable amount exceeds R1 000;
„ R 2 000 „ „ „ „ R 3 000	R150 plus 9 per cent of the amount by which the taxable amount exceeds R2 000;
„ R 3 000 „ „ „ „ R 4 000	R240 plus 10 per cent of the amount by which the taxable amount exceeds R3 000;
„ R 4 000 „ „ „ „ R 5 000	R340 plus 11 per cent of the amount by which the taxable amount exceeds R4 000;
„ R 5 000 „ „ „ „ R 6 000	R450 plus 12 per cent of the amount by which the taxable amount exceeds R5 000;
„ R 6 000 „ „ „ „ R 7 000	R570 plus 14 per cent of the amount by which the taxable amount exceeds R6 000;
„ R 7 000 „ „ „ „ R 8 000	R710 plus 16 per cent of the amount by which the taxable amount exceeds R7 000;
„ R 8 000 „ „ „ „ R 9 000	R870 plus 18 per cent of the amount by which the taxable amount exceeds R8 000;
„ R 9 000 „ „ „ „ R10 000	R1 050 plus 20 per cent of the amount by which the taxable amount exceeds R9 000;
„ R10 000 „ „ „ „ R11 000	R1 250 plus 22 per cent of the amount by which the taxable amount exceeds R10 000;
„ R11 000 „ „ „ „ R12 000	R1 470 plus 24 per cent of the amount by which the taxable amount exceeds R11 000;
„ R12 000 „ „ „ „ R13 000	R1 710 plus 26 per cent of the amount by which the taxable amount exceeds R12 000;
„ R13 000 „ „ „ „ R14 000	R1 970 plus 28 per cent of the amount by which the taxable amount exceeds R13 000;
„ R14 000 „ „ „ „ R15 000	R2 250 plus 30 per cent of the amount by which the taxable amount exceeds R14 000;
„ R15 000 „ „ „ „ R16 000	R2 550 plus 33 per cent of the amount by which the taxable amount exceeds R15 000;
„ R16 000 „ „ „ „ R18 000	R2 880 plus 36 per cent of the amount by which the taxable amount exceeds R16 000;
„ R18 000 „ „ „ „ R20 000	R3 600 plus 39 per cent of the amount by which the taxable amount exceeds R18 000;
„ R20 000 „ „ „ „ R22 000	R4 380 plus 42 per cent of the amount by which the taxable amount exceeds R20 000;
„ R22 000 „ „ „ „ R24 000	R5 220 plus 45 per cent of the amount by which the taxable amount exceeds R22 000;
„ R24 000 „ „ „ „ R26 000	R6 120 plus 48 per cent of the amount by which the taxable amount exceeds R24 000;
„ R26 000 „ „ „ „ R28 000	R7 080 plus 51 per cent of the amount by which the taxable amount exceeds R26 000;

Act No. 104, 1979

INCOME TAX ACT, 1979.

Taxable Amount	Rates of tax in respect of married persons
Where the taxable amount—	
“ R28 000 “ “ “ “ R30 000	R8 100 plus 54 per cent of the amount by which the taxable amount exceeds R28 000;
“ R30 000	R9 180 plus 55 per cent of the amount by which the taxable amount exceeds R30 000;

Taxable Amount	Rates of tax in respect of persons who are not married persons
Where the taxable amount—	
does not exceed R1 000	10 per cent of each R1 of the taxable amount;
exceeds R 1 000 but does not exceed R 2 000	R100 plus 11 per cent of the amount by which the taxable amount exceeds R1 000;
“ R 2 000 “ “ “ “ R 3 000	R210 plus 12 per cent of the amount by which the taxable amount exceeds R2 000;
“ R 3 000 “ “ “ “ R 4 000	R330 plus 13 per cent of the amount by which the taxable amount exceeds R3 000;
“ R 4 000 “ “ “ “ R 5 000	R460 plus 14 per cent of the amount by which the taxable amount exceeds R4 000;
“ R 5 000 “ “ “ “ R 6 000	R600 plus 16 per cent of the amount by which the taxable amount exceeds R5 000;
“ R 6 000 “ “ “ “ R 7 000	R760 plus 18 per cent of the amount by which the taxable amount exceeds R6 000;
“ R 7 000 “ “ “ “ R 8 000	R940 plus 20 per cent of the amount by which the taxable amount exceeds R7 000;
“ R 8 000 “ “ “ “ R 9 000	R1 140 plus 22 per cent of the amount by which the taxable amount exceeds R8 000;
“ R 9 000 “ “ “ “ R10 000	R1 360 plus 24 per cent of the amount by which the taxable amount exceeds R9 000;
“ R10 000 “ “ “ “ R11 000	R1 600 plus 27 per cent of the amount by which the taxable amount exceeds R10 000;
“ R11 000 “ “ “ “ R12 000	R1 870 plus 30 per cent of the amount by which the taxable amount exceeds R11 000;
“ R12 000 “ “ “ “ R13 000	R2 170 plus 33 per cent of the amount by which the taxable amount exceeds R12 000;
“ R13 000 “ “ “ “ R14 000	R2 500 plus 36 per cent of the amount by which the taxable amount exceeds R13 000;
“ R14 000 “ “ “ “ R15 000	R2 860 plus 39 per cent of the amount by which the taxable amount exceeds R14 000;
“ R15 000 “ “ “ “ R16 000	R3 250 plus 42 per cent of the amount by which the taxable amount exceeds R15 000;
“ R16 000 “ “ “ “ R18 000	R3 670 plus 45 per cent of the amount by which the taxable amount exceeds R16 000;
“ R18 000 “ “ “ “ R20 000	R4 570 plus 48 per cent of the amount by which the taxable amount exceeds R18 000;
“ R20 000 “ “ “ “ R22 000	R5 530 plus 52 per cent of the amount by which the taxable amount exceeds R20 000;
“ R22 000	R6 570 plus 55 per cent of the amount by which the taxable amount exceeds R22 000;

Act No. 104, 1979

INCOME TAX ACT, 1979.

- (b) on each rand of the taxable income of any company (excluding taxable income derived from mining operations and taxable income referred to in subparagraph (e)), forty cents: Provided that there shall be added to the amount of tax calculated in accordance with the preceding provisions of this subparagraph a surcharge equal to five per cent of such amount;
- (c) on each rand of the taxable income derived by any company from mining for gold otherwise than on any post-1966 gold mine (but with the exclusion of so much of the taxable income as the Secretary 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 principal Act), a percentage determined in accordance with the formula:

$$y = 60 - \frac{360}{x}$$

in which formula (and in the formulae set out in the first and second provisos hereto) y represents such percentage and x the ratio expressed as a percentage which the taxable income so derived (with the said exclusion) bears to the income so derived (with the said exclusion): Provided that if the taxable income so derived (with the said exclusion) does not exceed forty thousand rand, the rate of tax shall not exceed a percentage determined in accordance with the formula:

$$y = 20 \left(1 - \frac{6}{x}\right)$$

and if such taxable income exceeds forty thousand rand, the rate of tax shall not exceed a percentage determined in accordance with a formula arrived at by increasing the number 20 in the formula $y = 20 \left(1 - \frac{6}{x}\right)$ by one for each completed amount of two thousand five hundred rand by which the said taxable income exceeds forty thousand rand: Provided further that where a certificate is given by the Government Mining Engineer to the effect that prescribed conditions have been complied with, the rate of tax in respect of taxable income derived from mining for gold on an assisted gold mine shall not exceed a percentage determined in accordance with the formula $y = 68 - \frac{601}{x}$: Provided further that there shall be added to the amount of tax calculated in accordance with the preceding provisions of this subparagraph, excluding the second proviso, a surcharge equal to five per cent of such amount;

- (d) on each rand of the taxable income derived by any company from mining for gold on any post-1966 gold mine (but with the exclusion of so much of the taxable income as the Secretary 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 principal Act), a percentage determined in accordance with the formula:

$$y = 60 - \frac{480}{x}$$

in which formula (and in the formulae set out in the first proviso hereto) y represents such percentage and x the ratio expressed as a percentage which the taxable income so derived (with the said exclusion) bears to the income so derived (with the said exclusion): Provided that if the taxable income so derived (with the said exclusion) does not exceed forty thousand rand, the rate of tax shall not exceed a percentage determined in accordance with the formula:

$$y = 20 \left(1 - \frac{8}{x}\right)$$

and if such taxable income exceeds forty thousand rand, the rate of tax shall not exceed a percentage determined in accordance with a formula arrived at by increasing the number 20 in the formula $y = 20 \left(1 - \frac{8}{x}\right)$ by one for each completed amount of two thousand five hundred rand by which the said taxable income exceeds forty thousand rand: Provided further that there shall be added to the amount of tax calculated in accordance with the preceding provisions of this subparagraph a surcharge equal to five per cent of such amount;

- (e) on each rand 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 Secretary 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 principal Act, a rate equal to the average rate of normal tax or thirty-five cents, whichever is higher;
- (f) on each rand of the taxable income derived by any company from mining for diamonds, forty-five cents: Provided that there shall be added to the amount of tax calculated in accordance with the preceding provisions of this subparagraph a surcharge equal to five per cent of such amount;
- (g) on each rand of the taxable income derived by any company from mining operations (other than mining for gold or diamonds), forty cents: Provided that there shall be added to the amount of tax calculated in accordance with the preceding provisions of this subparagraph a surcharge equal to five per cent of such amount;
- (h) in respect of the taxable income of any person other than a company, a sum equal to ten per cent of the amount of tax determined in accordance with subparagraph (a), if such tax is not less than one hundred and fifty rand: Provided that any fraction of a rand of the tax calculated under this subparagraph shall be disregarded;

Act No. 104, 1979

INCOME TAX ACT, 1979.

(i) in respect of the taxable income of any company, a sum equal to ten per cent of the aggregate of the amounts of tax determined under subparagraphs (b), (c), (d), (f) and (g), before the addition of the surcharges referred to in the proviso to subparagraph (b), the third proviso to subparagraph (c), the second proviso to subparagraph (d), the proviso to subparagraph (f) and the proviso to subparagraph (g): Provided that any fraction of a rand of the tax calculated under this subparagraph shall be disregarded: Provided further that the tax calculated in terms of this subparagraph shall not be payable by any company whose liability under this subparagraph would, but for this proviso, be less than five rand.

2. (1) For the purposes of paragraph 1 income derived from mining for gold shall include any income derived from silver, osmiridium, uranium, pyrites or other minerals which may be won in the course of the mining for gold, and any other income which, in the opinion of the Secretary, results directly from mining for gold.

(2) For the purposes of subparagraph (e) of paragraph 1 the average rate of normal tax shall be determined by dividing the total normal tax (excluding the tax determined in accordance with the said subparagraph for the period assessed) paid by the company concerned in respect of its aggregate taxable income from gold mining for the period from 1 July 1916 to the end of the period assessed, by the number of rands contained in the said aggregate taxable income.

(3) The tax payable in accordance with any of the subparagraphs of paragraph 1 shall be payable in addition to the tax determined in accordance with any other of the said subparagraphs.

3. In this Schedule, unless the context otherwise indicates, any word or expression to which a meaning has been assigned in the principal Act, bears the meaning so assigned thereto.