



# STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

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REPUBLIC OF SOUTH AFRICA

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KANTOOR VAN DIE EERSTE MINISTER

OFFICE OF THE PRIME MINISTER

No. 1516.

25 Julie 1980.

No. 1516.

25 July 1980.

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 1980: Inkomstebelastingwet, 1980.

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

No. 104 of 1980: Income Tax Act, 1980.

## INCOME TAX ACT, 1980

Act No. 104, 1980

## 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.

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# 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 28 February 1981 and 30 June 1981, and by companies in respect of taxable incomes for years of assessment ending during the period of twelve months ending on 31 March 1981; to amend the Income Tax Act, 1962; and to provide for incidental matters.

*(English text signed by the State President.)*  
*(Assented to 8 July 1980.)*

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

1. The rates of normal tax to be levied in terms of section 5 Rates of  
 5 (2) of the Income Tax Act, 1962 (Act No. 58 of 1962), normal tax.  
 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 28 February 1981 or 30 June 1981; and
- 10 (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 1981,
- 15 shall be as set forth in the Schedule to this Act.
2. (1) Section 1 of the principal Act is hereby amended—
- (a) by the substitution in the definition of “assessment” for the expression “abatements” of the expression “rebates”, and for the expression “section 5A” of the expression “section 6”;
- 20 (b) by the insertion after the definition of “child” of the following definition:  
 “‘Commissioner’ means the Commissioner for Inland Revenue;”;
- 25 (c) by the substitution in paragraph (a) of the definition of “dependant” for the expression “an abatement” of the expression “a rebate”, and for the expression “section 5A (3) (a)” of the expression “section 6 (3) (a)”;  
 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 Act 95 of 1967, section 5 of

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- (d) by the substitution in the definition of "married person" for the expression "abatement", wherever it occurs, of the expression "rebate", and for the expression "section 5A (3) (a)", wherever it occurs, of the expression "section 6 (3) (a)";
  - (e) by the deletion of the definition of "Secretary";
  - (f) by the deletion of the definition of "taxable amount", and
  - (g) by the substitution for the definition of "taxable income" of the following definition:  
 "taxable income" means the amount remaining after deducting from the income of any person all the amounts [(other than the sum of any amounts allowed by way of abatements under section 5A)] allowed under Part I of Chapter II to be deducted from or set off against such income;".
- (2) The amendments effected by subsection (1) (b) and (e) shall be deemed to have taken effect on 1 April 1980.

3. Section 5 of the principal Act is hereby amended—
- (a) by the deletion of subsection (1A);
  - (b) by the substitution for subsection (4) of the following subsection:  
 "(4) For the purposes of subsection (3) the basic tax payable by any taxpayer in respect of any year of assessment referred to in that subsection shall be deemed to be the normal tax payable by him for such year in terms of the Act referred to in the said subsection before the addition of any [surcharge or] loan portion [provided for in that Act] contemplated in the said subsection and before the deduction of any [rebate] discount provided for in the said Act but after the deduction of any rebate provided for in section 6 of this Act.";
  - (c) by the substitution for subsection (10) of the following subsection:  
 "(10) Where any taxpayer's income for the year of assessment ending on 29 February 1972, or any succeeding year of assessment, includes any special remuneration, or where the provisions of paragraph 15 (3) or 17 of the First Schedule or paragraph 7 of the Second Schedule or paragraph 9 of the Sixth Schedule are applicable in the case of the taxpayer in respect of such year, the normal tax payable by the taxpayer in respect of such year (as determined before the deduction of any rebate) shall be determined in accordance with the formula—

$$[Y = \frac{A}{(B - C) - D} \times (B - E)]$$

$$Y = \frac{A}{B - C} \times B$$

in which formula—

- (a) 'Y' represents the amount of normal tax to be determined;
- (b) 'A' represents the amount of normal tax (as determined after the addition of any surcharge but before the deduction of any rebate) calculated at the full rate of tax chargeable for the said year in respect of a taxable [amount] income equal to the amount represented by the expression [(B - C) - D] 'B - C' in the formula;
- (c) 'B' represents the taxpayer's taxable income for the said year;
- (d) 'C' represents an amount equal to the sum of—
  - (i) the amount of any special remuneration (as defined in subsection (9)) which is included in the taxpayer's income for the said year;

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- 5 (ii) where the provisions of paragraph 15 (3) of the First Schedule are in the case of the taxpayer applicable in respect of the said year, an amount determined in accordance with those provisions as being the amount, if any, by which the taxable income derived by the taxpayer during the said year from the disposal of plantations and forest produce exceeds the annual average taxable income derived by him from that source over the three years of assessment immediately preceding the said year;
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- 15 (iii) where the provisions of paragraph 17 of the First Schedule are in the case of the taxpayer applicable in respect of the said year, an amount equal to so much of the taxable income of the taxpayer for such year as is proved to the satisfaction of the Commissioner to have been derived from the disposal of sugar cane as a result of fire in his cane fields and but for such fire would not have been derived by him in that year;
- 20
- 25 (iv) where the provisions of paragraph 7 of the Second Schedule are in the case of the taxpayer applicable in respect of the said year, any amount determined in accordance with the provisions of that Schedule and included in his income for the said year; and
- 30 (v) where the provisions of paragraph 9 of the Sixth Schedule are in the case of the taxpayer applicable in respect of the said year, the amount (if any) by which the gain referred to in that paragraph exceeds an amount obtained by dividing the gain by the number of full years in the period reckoned from the commencement date of the insurance policy in question (as contemplated in the definition of 'commencement date' in paragraph 1 of the said Schedule) or 30 March 1972, or the date on which the owner of the policy became the owner thereof (as contemplated in the definition of 'owner' in paragraph 1 of the said Schedule), whichever date is the latest, to the date of the receipt or accrual (as determined in accordance with the said Schedule) of the insurance benefit or the consideration in respect of which the said gain is determined:
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- 40
- 45
- 50 [(e) 'D' represents the sum which would be allowable under section 5A by way of abatements against the taxpayer's taxable income for such year if such taxable income were an amount equal to the amount represented by the expression '(B - C)' in the formula;
- 55 (f) 'E' represents the sum in fact allowed to the taxpayer under section 5A by way of abatements against his taxable income for the said year] Provided that [the amount represented by the expression '(B - C) - D' in the formula shall in no case be determined at an amount of less than one rand] in no case shall the amount of normal tax chargeable be less than the amount of normal tax which would be chargeable at the relevant rate fixed in terms of
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5 subsection (2) in respect of the first rand of taxable income, and nothing in this section contained shall be construed as relieving any person from liability for taxation under this Act upon any portion of his taxable income: Provided further that the preceding provisions of this subsection shall not apply if the normal tax chargeable in the case of the taxpayer in respect of the said year has been determined under the provisions of paragraph 19 of the First Schedule.”

10 4. Section 5A of the principal Act is hereby repealed.

Repeal 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, section 6 of Act 113 of 1977 and section 5 of Act 104 of 1979.

5. The following section is hereby inserted in the principal Act after section 5:

Insertion of section 6 in Act 58 of 1962.

15 “Normal tax rebates. 6. (1) There shall be deducted from the normal tax payable by any person other than a company an amount equal to the sum of the amounts allowed to the taxpayer by way of rebates under subsections (2) and (3).  
 20 (2) In the case of a person other than a company there shall, subject to the provisions of subsection (4), be allowed by way of a primary rebate—  
 (a) an amount of R200, if such person is a married person; or  
 (b) an amount of R120, if such person is not a married person.  
 25 (3) In the case of a natural person, the following amounts, where applicable, shall, subject to the provisions of subsection (4), be allowed by way of secondary rebates, namely—  
 30 (a) an amount of R100 in respect of each child or stepchild of the taxpayer who was alive during any portion of the year of assessment, and who—  
 (i) on the last day of the year of assessment was unmarried and was not or would not  
 35 had he lived have been over the age of eighteen years, or, if he was wholly or partially dependent for his maintenance upon the taxpayer and has not become  
 40 liable for the payment of normal tax in respect of such year, over the age of twenty-one years, or, if he was wholly or partially dependent for his maintenance upon the taxpayer and has not become  
 45 liable for the payment of normal tax in respect of such year and the Commissioner is satisfied that he was a full-time student at an educational institution of a public character, over the age of twenty-six years; or

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- 5 (ii) in the case of any other child or stepchild,  
was incapacitated by physical or mental  
infirmity from maintaining himself and was  
wholly or partially dependent for his main-  
tenance upon the taxpayer and has not  
become liable for the payment of normal  
tax in respect of the year of assessment:
- 10 Provided that—
- (aa) where the taxpayer is in terms of this  
paragraph entitled to rebates in respect of  
more than five children, the rebate to be  
allowed in respect of each child in excess  
of five shall be increased by an amount of  
R50;
- 15 (bb) a parent who has been divorced or separ-  
ated under an order of divorce or judicial  
separation granted in consequence of pro-  
ceedings instituted not later than 21 March  
20 1962, or separated under a written agree-  
ment of separation entered into not later  
than that date, shall not be allowed the  
rebate in respect of any child born of the  
marriage which has been dissolved by the  
25 order of divorce or to which the order or  
agreement of separation relates, unless he  
has maintained such child during the  
period assessed and the cost of such  
maintenance has not in terms of section 21  
been deducted from his taxable income;
- 30 (b) an amount equal to 10 per cent of the aggregate  
of—
- (i) premiums paid by the taxpayer during the  
year of assessment upon policies under  
35 which he or his wife or any children or  
stepchildren referred to in paragraph (a) is  
or are insured against death, accident or  
sickness;
- (ii) fees, subscriptions or contributions paid by  
40 him during that year to any provident fund  
or benefit fund (other than a medical  
scheme registered under the provisions of  
the Medical Schemes Act, 1967 (Act No.  
72 of 1967)); and
- 45 (iii) contributions made by him during that  
year as an employee to any fund estab-  
lished under any law in force in the  
Republic relating to unemployment insur-  
ance,
- 50 but subject to a maximum rebate under this  
paragraph of R75: Provided that no rebate shall  
be allowed in respect of insurance under a  
policy of motor insurance, nor under any other  
policy if the amount paid as premium for such  
55 other policy has been allowed as a deduction  
from the income of the taxpayer under the  
provisions of section 11: Provided further that  
any amount paid by the estate of a deceased  
taxpayer or by the estate of a taxpayer's  
60 deceased wife which would, if it had been paid  
by the taxpayer, have been taken into account  
for a rebate under this paragraph, shall for the  
purposes of this paragraph be deemed to have  
been paid by the taxpayer on the day before his  
or his wife's death, as the case may be;

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- 5 (c) an amount of R30 in respect of each person who was during the year of assessment a dependant of the taxpayer, but excluding any dependant in respect of whom a rebate is allowable to the taxpayer under paragraph (d);
- 10 (d) an amount of R50 in respect of each person who was during the year of assessment a dependant of the taxpayer, if the total amount expended in cash or otherwise by the taxpayer in maintaining such dependant during such year was not less than R350, or, where the period assessed is less than twelve months, the total amount so expended during that period is not less than an amount which bears to R350 the same ratio as the period assessed bears to twelve months;
- 15 (e) if the taxpayer was or would had he lived have been over the age of sixty years on the last day of the year of assessment, an amount of R120, if the period assessed is twelve months, or, where the period assessed is less than twelve months, an amount which bears to R120 the same ratio as the period assessed bears to twelve months.
- 20 (4) Where the period assessed is less than twelve months, the amount to be allowed by way of a rebate under subsection (2) or paragraph (a), (c) or (d) of subsection (3) shall be such amount as bears to the full amount of such rebate, the same ratio as the period assessed bears to twelve months, unless, where such period terminates at the death of the taxpayer or commences at the death of the spouse of the taxpayer, the Commissioner in the special circumstances of the case otherwise directs.”.
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35 6. (1) The following section is hereby inserted in the principal Act after section 8A:

Insertion of section 8B in Act 58 of 1962.

40 “Advances, loans or payments made to certain shareholders deemed to be dividends in certain circumstances.

45 **8B. (1) Where on or after 28 May 1980 any amount is paid or any asset is distributed by a private company to any shareholder of such company by way of any advance or loan (including any form of credit), or any payment is made by such company on behalf of such shareholder, so much, if any, of the amount or value of such advance, loan or payment as the Commissioner is satisfied is equivalent to an amount which could properly have been paid or distributed to such shareholder by way of a dividend out of the profits or reserves of such company at the relevant time shall, for the purposes of this Part, be deemed to be a dividend received by the shareholder on the last day of the year of assessment of such company during which such payment or distribution is made, and the amount of the dividend so deemed to be received shall—**

50 (a) where such shareholder is a person other than a company, be included in the income of such shareholder; and

55 (b) where such shareholder is a private company, be deemed, as respects any amount paid or asset distributed to a shareholder of that company in the circumstances contemplated in this subsection, to be a distributable profit of that company.

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5 (2) Where the amount or value of any advance,  
loan or payment is deemed under the provisions of  
subsection (1) to be a dividend received by such  
shareholder of such company and the company has  
subsequently, in satisfaction of the whole or part of  
that advance, loan or payment, set off the whole or  
part of any dividend actually declared by it during  
any year of assessment, that dividend so declared  
shall, to the extent to which it has so been set off, be  
10 deemed, for the purposes of determining the taxable  
income of such shareholder in respect of the year of  
assessment during which the dividend declared was  
so set off, not to be a dividend received by the  
shareholder.

15 (3) The provisions of this section shall not apply—  
(a) in respect of any amount paid or any asset  
distributed to a shareholder if the Commis-  
sioner (disregarding any stipulation as to  
interest) is satisfied that the payment of such  
20 amount or distribution of such asset was made  
in circumstances indicating that the purpose of  
such payment or distribution was not to confer  
on the shareholder a benefit similar to the  
benefit he would have enjoyed if such amount  
25 had been paid or such asset had been distri-  
buted by way of a dividend; or

(b) for the purposes of the non-resident sharehol-  
ders tax or the undistributed profits tax.

30 (4) Any decision of the Commissioner under this  
section shall be subject to objection and appeal.”

(2) The amendment effected by subsection (1) shall, for the  
purposes of assessments under the principal Act, take effect in  
respect of years of assessment ending on or after 28 May 1980.

7. (1) Section 10 of the principal Act is hereby amended—
- 35 (a) by the insertion after paragraph (g) of subsection (1) of  
the following paragraph:  
“(gA) any disability pension paid under section 2  
of the Social Pensions Act, 1973 (Act No. 37 of  
1973);”;
- 40 (b) by the substitution for subparagraph (xii) of paragraph  
(i) of subsection (1) of the following subparagraph:  
“(xii) [any amount credited as interest in respect of any  
subscription share in any building society] so  
45 much of the aggregate of the amounts credited as  
dividends on subscription shares by all building  
societies during the year of assessment as—  
(aa) in respect of the year of assessment ending 28  
February 1982, in the case of any one person,  
does not exceed an amount of simple interest  
50 calculated on a total capital sum of R100 000  
at a rate equal to the highest rate of  
dividends so credited during such year;  
(bb) in respect of the year of assessment ending 28  
February 1983, in the case of any one person,  
55 does not exceed an amount of simple interest  
calculated on a total capital sum of R50 000
- 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,  
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,  
section 4 of



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- at a rate equal to the highest rate of dividends so credited during such year; and
- (cc) in respect of any year of assessment ending on or after 29 February 1984, in the case of any taxpayer, does not exceed an amount of simple interest calculated on a total capital sum of R50 000 at a rate equal to the highest rate of dividends so credited during such year:
- Provided that this exemption shall not apply in respect of any such dividend the rate of which exceeds 7,5 per cent per annum;"; and
- (c) by the substitution for the proviso to subparagraph (xiii) of the said paragraph (i) of the following proviso: "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*;]".
- (2) The amendment effected by subsection (1) (b) shall, for the purposes of the principal Act, take effect as from the commencement of the year of assessment ending on 28 February 1982.

8. Section 11 of the principal Act is hereby amended by the substitution in paragraph (i) for the expression "twenty-five per cent" of the expression "50 per cent", and by the substitution in paragraph (ii) of the proviso to that paragraph for the expression "three thousand rand" of the expression R4 000".
- 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, section 5 of Act 101 of 1978 and section 8 of Act 104 of 1979.

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9. Section 12 of the principal Act is hereby amended—
- (a) by the substitution in subparagraph (iv) of subsection (2) for the expression “1982” of the expression “1983”;
- 5 (b) by the substitution in subparagraph (iiB) of paragraph (c) of subsection (2A) for the expression “1982” of the expression “1983”;
- (c) by the substitution in subparagraph (iii) of paragraph (c) of subsection (2A) for the expression “1982” of the expression “1983”; and
- 10 (d) by the substitution in subparagraph (iv) of paragraph (d) of subsection (2A) for the expression “1982” of the expression “1983”.
- 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, section 6 of Act 101 of 1978 and section 10 of Act 104 of 1979.
10. Section 13 of the principal Act is hereby amended—
- 15 (a) by the substitution in paragraph (e) of subsection (5) for the expression “1982”, wherever it occurs, of the expression “1983”;
- (b) by the substitution in paragraph (ii) of the proviso to subsection (6) for the expression “1983” of the expression “1984”;
- 20 (c) by the substitution in subparagraph (i) of paragraph (a) of subsection (6A) for the expression “1982” of the expression “1983”;
- (d) by the substitution in subparagraph (ii) of paragraph (a) of subsection (6A) for the expression “1983” of the expression “1984”; and
- 25 (e) by the substitution in subparagraph (iiA) of paragraph (a) of subsection (6A) for the expression “1982”, wherever it occurs, of the expression “1983”, and for the expression “1983” of the expression “1984”.
- 30 Amendment of section 13 of Act 58 of 1962, as amended by section 12 of Act 90 of 1962, section 5 of Act 6 of 1963, section 11 of Act 72 of 1963, section 12 of Act 90 of 1964, section 14 of Act 88 of 1965, section 17 of Act 55 of 1966, section 13 of Act 52 of 1970, section 13 of Act 88 of 1971, section 12 of Act 90 of 1972, section 13 of Act 65 of 1973, section 16 of Act 85 of 1974, section 13 of Act 69 of 1975 and section 7 of Act 101 of 1978.
11. Section 15A of the principal Act is hereby amended—
- (a) by the substitution in the definition of “prescribed period” in subsection (1) for the expression “1980” of the expression “1985”; and
- 35 (b) by the substitution in subsection (2) for the expression “1981”, wherever it occurs, of the expression “1986”.
- Amendment of section 15A of Act 58 of 1962, as inserted by section 15 of Act 69 of 1975.
12. The following section is hereby inserted in the principal Act after section 17A:
- Insertion of section 18 in Act 58 of 1962.
- 40 **18. (1) Notwithstanding the provisions of section 23, there shall be allowed to be deducted from the income of any taxpayer who is a natural person an allowance in respect of—**
- (a) any contributions made by him during the year of assessment to any medical scheme registered under the provisions of the Medical Schemes Act, 1967 (Act No. 72 of 1967); and
- 45 (b) any amounts (other than amounts recoverable by the taxpayer) which the Commissioner is satisfied were paid by the taxpayer during the year of assessment to any duly registered—
- 50
- “Deduction in respect of medical and dental expenses.”

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- 5 (i) medical practitioner, dentist, optometrist, homeopath, naturopath, osteopath, herbalist, physiotherapist, chiropractor or orthoptist for professional services rendered to; or
- 10 (ii) nursing home or hospital or any duly registered or enrolled nurse, midwife or nursing assistant (or to any nursing agency in respect of the services of such a nurse, midwife or nursing assistant) in respect of the illness or confinement of; or
- 15 (iii) pharmacist for medicines (other than medicines the cost of which has been deducted from the taxpayer's income under section 21 *quat*) supplied on the prescription of any person mentioned in subparagraph (i) for, the taxpayer or his wife or his children or stepchildren referred to in section 6 (3) (a):
- 20 Provided that any amount paid by the estate of a deceased taxpayer or by the estate of a taxpayer's deceased wife which would, if it had been paid by the taxpayer, have been taken into account for a deduction under this section, shall for the purposes of this section be deemed to have been paid by the taxpayer on the day before his or his wife's death, as the case may be.
- 25 (2) The allowance under subsection (1) shall be so much of the sum of the amounts referred to in that subsection as does not exceed the following amounts, namely—
- 30 (a) where the taxpayer is entitled to a rebate under section 6 (3) (e), the amount of R2 000 if he is a married person or R1 500 if he is not a married person; or
- 35 (b) where the taxpayer is not entitled to such rebate, the amount of R1 000 if he is a married person or R750 if he is not a married person.”.

13. (1) Section 18A of the principal Act is hereby amended by the addition of the following subsection:

- 40 “(5) (a) The Minister of Finance may from time to time and when Parliament is not in session by notice in the *Gazette* amend the provisions of this section so as to apply those provisions to donations made to any such educational institution (other than a university or
- 45 (b) Any amendment made under the provisions of paragraph (a) which is in force immediately before the date of promulgation of an Act of Parliament fixing rates of normal tax for any year of assessment shall, unless
- 50 Parliament otherwise provides, lapse on that date, and in such case it shall as from that date cease to have the force of law.”.

(2) The amendment effected by subsection (1) shall take effect on the date of promulgation of this Act.

55 14. Section 19 of the principal Act is hereby amended by the substitution for subsection (5A) of the following subsection:

- 60 “(5A) Subject to the provisions of subsection (6), income received by or accrued to any person other than a company by way of a dividend on [indefinite period or fixed period] shares in any permanent building society shall, notwithstanding the definition of ‘dividend’ in section 1, be deemed for the purposes of this section to be income derived by such person in the form of dividends.”.

Amendment of section 18A of Act 58 of 1962, as inserted by section 15 of Act 52 of 1970 and amended by section 16 of Act 88 of 1971, section 13 of Act 90 of 1972, section 14 of Act 65 of 1973 and section 16 of Act 69 of 1975.

Amendment of section 19 of Act 58 of 1962, as amended by section 15 of Act 90 of 1962, section 6 of Act 6 of 1963, section 17 of Act 88 of 1965, section 17 of Act 88 of 1971 and section 14 of Act 90 of 1972.

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15. Section 20A of the principal Act is hereby amended by the substitution in subsection (1) for the expression "R900", wherever it occurs, of the expression "R1 200".

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, section 15 of Act 113 of 1977 and section 12 of Act 104 of 1979.

16. Section 21 of the principal Act is hereby amended by the substitution in the proviso for the expression "5A (3) (a)" of the expression "6 (3) (a)".

Amendment of section 21 of Act 58 of 1962, as substituted by section 16 of Act 90 of 1972.

17. Section 21<sup>quat</sup> of the principal Act is hereby amended—

- (a) by the deletion of subsection (2); and
- (b) by the substitution for subsection (3) of the following subsection:

Amendment of section 21<sup>quat</sup> of Act 58 of 1962, as inserted by section 17 of Act 65 of 1973 and amended by section 22 of Act 85 of 1974.

"(3) [For the purposes of subsection (2) 'qualifying expenditure', in relation to any taxpayer, means] The said allowance shall be an amount equal to so much of the expenditure of the nature referred to in subsection (1), which is incurred by the taxpayer and the expenditure of that nature which is incurred by his wife, in the circumstances contemplated in subsection (1), as does not during the year of assessment in question exceed in total an amount of [six hundred rand] R1 200."

18. (1) The following section is hereby inserted in the principal Act after section 24B:

Insertion of section 24C in Act 58 of 1962.

24C. (1) For the purposes of this section, 'future expenditure' in relation to any year of assessment means an amount of expenditure which the Commissioner is satisfied will be incurred after the end of such year—

- (a) in such manner that such amount will be allowed as a deduction from income in a subsequent year of assessment; or
- (b) in respect of the acquisition of any asset in respect of which any deduction will be admissible under the provisions of this Act.

(2) If the income of any taxpayer in any year of assessment includes or consists of an amount received by or accrued to him in terms of any contract and the Commissioner is satisfied that such amount will be utilized in whole or in part to finance future expenditure which will be incurred by the taxpayer in the performance of his obligations under such contract, there shall be deducted in the determination of the taxpayer's taxable income for such year such allowance (not exceeding the said amount) as the Commissioner may determine, in respect of so much of such future expenditure as in his opinion relates to the said amount.

(3) The amount of any allowance deducted under subsection (2) in any year of assessment shall be deemed to be income received by or accrued to the taxpayer in the following year of assessment."

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(2) The amendment effected by subsection (1) shall, for the purposes of assessments under the principal Act, take effect on the date of promulgation of this Act and shall apply in respect of years of assessment in respect of which assessments have been made under the principal Act on or after 1 July 1977, notwithstanding that such assessments may have become final and conclusive under the principal Act: Provided that any such assessment which has become final and conclusive under the principal Act prior to the date of promulgation of this Act shall not be altered unless written application for such alteration is made to the Commissioner for Inland Revenue on or before 30 June 1981.

19. (1) Section 27 of the principal Act is hereby amended—

- (a) by the substitution in subparagraphs (i) and (ii) of paragraph (c) of subsection (2) for the expression "1982" of the expression "1983";
- (b) by the substitution in paragraph (e) of subsection (2) for the expression "1982" of the expression "1983";
- (c) by the substitution in subsection (5) for the words preceding paragraph (a) of the following words:  
 "(5) Where any agricultural co-operative (hereinafter referred to as the new co-operative) has before 1 April 1977 been constituted by an amalgamation under section 94 of the Co-operative Societies Act, 1939, of two or more other agricultural co-operatives and by reason of such amalgamation the ownership of any building used as a storage building by one of such other co-operatives (hereinafter referred to as the other co-operative) has passed from the other co-operative to the new co-operative—";
- (d) by the insertion after subsection (5) of the following subsection:  
 "(5A) Where any agricultural co-operative has on or after 1 April 1977 been constituted by an amalgamation under section 94 of the Co-operative Societies Act, 1939, of two or more other agricultural co-operatives, the said co-operative and such other co-operatives shall, for the purposes of assessments under this Act, be deemed to be and to have been one and the same agricultural co-operative.";
- (e) by the substitution in the proviso to subsection (6) for the expression "1983" of the expression "1984";
- (f) by the substitution in subparagraph (c) of subsection (7) for the expression "1982", wherever it occurs, of the expression "1983"; and
- (g) by the substitution for the definition of "storage building" in subsection (9) of the following definition:  
 "storage building", in relation to any agricultural co-operative, means—  
 (a) a building which is at any relevant time or during any relevant period wholly or mainly used by such co-operative for storing or packing pastoral, agricultural or other products produced by such co-operative's members or for carrying on therein any primary process in respect of such products; or  
 (b) a structure of a permanent nature which is at any relevant time or during any relevant period wholly or mainly used by such co-operative in connection with the fattening of livestock on behalf of the members of such co-operative:

Amendment of section 27 of Act 58 of 1962, as amended by section 17 of Act 113 of 1977 and section 11 of Act 101 of 1978.

Provided that for the purposes of this definition the members of a central co-operative agricultural

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5 company or central farmers' special co-operative company or federal co-operative agricultural company or federal farmers' special co-operative company, as defined in the Co-operative Societies Act, 1939, shall be deemed to include the members of any agricultural co-operative which itself is a member of such company."

10 (2) The amendment effected by subsection (1) (d) 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 April 1977.

15 20. (1) Section 36 of the principal Act is hereby amended by the substitution in paragraph (c) of the definition of "capital expenditure" in subsection (11) for the words preceding paragraph (i) of the following words:

20 " (c) in the case of any post-1973 gold mine, any post-1966 gold mine, any new gold mine, any new deep level gold mine, any other deep level gold mine or any natural oil mine, an amount calculated as nearly as may be in the manner prescribed for the calculation of the capital allowance provided for in section 26 (2) of the Mining Rights Act, 1967 (Act No. 20 of 1967), at the rate of ten per cent per annum in the case of a post-1973 gold mine or any other deep level gold mine or eight per cent per annum in the case of any post-1966 gold mine or six per cent per annum in the case of any new gold mine or any natural oil mine or five per cent per annum in the case of any new deep level gold mine [or any other deep level gold mine] on the amount of the unredeemed balance of the aggregate of—".

30 (2) The amendment effected by 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 1 January 1980.

21. Section 49 of the principal Act is hereby amended by the substitution in paragraph (ii) of the definition of "distributable income" for the expression "fifty-five per cent" of the expression "fifty-eight per cent".

Amendment of section 36 of Act 58 of 1962, as amended by section 12 of Act 72 of 1963, section 15 of Act 90 of 1964, section 20 of Act 88 of 1965, section 23 of Act 55 of 1966, section 16 of Act 95 of 1967, section 14 of Act 76 of 1968, section 26 of Act 89 of 1969, section 21 of Act 65 of 1973 and section 28 of Act 85 of 1974.

40 22. Section 64C of the principal Act is hereby amended by the insertion after paragraph (e) of the following paragraph:

45 "(eA) interest payable in respect of the financing of any transaction under which goods are imported into or exported from the Republic, where such financing was arranged by or through any authorized dealer in foreign currencies in the Republic and is for a period which does not exceed twelve months;"

Amendment of section 49 of Act 58 of 1962, as amended by section 22 of Act 90 of 1962, section 9 of Act 6 of 1963, section 17 of Act 90 of 1964, section 31 of Act 89 of 1969, section 24 of Act 88 of 1971, section 24 of Act 65 of 1973, section 34 of Act 85 of 1974, section 23 of Act 69 of 1975 and section 20 of Act 113 of 1977.

Amendment of section 64C of Act 58 of 1962, as inserted by section 20 of 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, section 22 of Act 113 of 1977 and section 14 of Act 104 of 1979.

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23. Paragraph 5 of the First Schedule to the principal Act is hereby amended—

Amendment of paragraph 5 of 1st Schedule to Act 58 of 1962, as substituted by section 18 of Act 72 of 1963 and amended by section 23 of Act 52 of 1970, section 30 of Act 88 of 1971 and section 28 of Act 103 of 1976.

(a) by the substitution in item (b) of subparagraph (1A) for the words preceding subitem (i) of the following words:

“(b) on or after the first day of the [said] year of assessment ended on 28 February 1977 but prior to the first day of the year of assessment ending on 28 February 1981 at a purchase price which—”; and

(b) by the insertion after the said item (b) of the following item:

“(c) on or after the first day of the year of assessment ending on 28 February 1981 at a purchase price which—  
 (i) in the case of a bull or bull-calf exceeds R900;  
 (ii) in the case of a cow or heifer exceeds R450;  
 (iii) in the case of a stallion or colt exceeds R900;  
 (iv) in the case of a mare or filly exceeds R450;  
 (v) in the case of a ram or he-goat exceeds R350;  
 (vi) in the case of a ewe or she-goat exceeds R175;  
 (vii) in the case of a pig exceeds R115; or  
 (viii) in the case of any other animal exceeds R225.”.

24. Paragraph 12 of the First Schedule to the principal Act is hereby amended by the substitution in subparagraph (5) for the expression “four thousand rand” of the expression “R5 000”.

Amendment of paragraph 12 of 1st Schedule to Act 58 of 1962, as amended by section 27 of Act 55 of 1966, section 42 of Act 89 of 1969 and section 24 of Act 113 of 1977.

25. Paragraph 19 of the First Schedule to the principal Act is hereby amended by the substitution for subparagraph (1) of the following subparagraph:

Amendment of paragraph 19 of 1st 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, section 30 of Act 103 of 1976 and section 16 of Act 104 of 1979.

“(1) In the case of any taxpayer who has made an election as provided in subparagraph (5) which is binding upon him in respect of any period of assessment commencing on or after the first day of March 1967 (hereinafter referred to as the relevant period), during which he or his wife has carried on farming operations or has derived income from the operations so carried on, the normal tax chargeable in respect of his taxable income for such period (before the deduction of any rebate) shall be determined

[(i)] in accordance with the formula—

$$Y = \frac{A}{B + C - D - E - J} \times F$$

[(hereinafter referred to as the first formula), if the relevant period ends not later than the end of the year of assessment ended the twenty-eighth day of February, 1971; or

(ii) in accordance with the formula—

$$Y = \frac{H}{(B + C - D - E - J) - G} \times (F - I),$$

(hereinafter referred to as the second formula), if the relevant period commences not earlier than the

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beginning of the year of assessment ending the twenty-ninth day of February, 1972] in which [formulae] formula—

- 5 (a) 'Y' represents the amount of normal tax to be determined;
- 10 (b) 'A' represents the amount of normal tax (as determined after the addition of any surcharge but before the deduction of any rebate) chargeable at the relevant rate fixed in terms of section 5 (2) of this Act in respect of a taxable income equal to the amount represented by the expression 'B + C - D - E - J' in the [first] formula;
- 15 (c) 'B' represents the taxpayer's average taxable income (if any) from farming as determined in relation to the relevant period in accordance with subparagraph (2);
- 20 (d) 'C' represents the taxpayer's taxable income (if any) for the relevant period from sources other than farming or, if the determination of such taxable income results in an assessed loss, such assessed loss: Provided that where 'C' represents such assessed loss the expression '+ C' in the [applicable] formula shall be construed as meaning '- C';
- 25 (e) 'D' represents the amount (if any) included in the taxpayer's gross income for the relevant period under the provisions of the Second Schedule to this Act;
- 30 (f) 'E' represents the amount (if any) of any special remuneration, as defined in section 5 (9) of this Act, which has been included in the income of the taxpayer for the relevant period;
- (g) 'F' represents the taxpayer's taxable income for the relevant period; and
- 35 [(h) 'G' represents the sum which would be allowable under section 5A of this Act by way of abatements against the taxpayer's taxable income for the relevant period if such taxable income were an amount equal to the amount represented by the expression '(B + C - D - E - J)' in the second formula;
- 40 (i) 'H' represents the amount of normal tax calculated at the full rate of tax chargeable for the relevant period in respect of a taxable amount equal to the amount represented by the expression '(B + C - D - E - J) - G' in the second formula;
- 45 (j) 'I' represents the sum in fact allowed to the taxpayer under section 5A of this Act by way of abatements against his taxable income for the relevant period; and]
- 50 [(k) (h) 'J' represents an amount equal to the amount, if any, by which any gain referred to in paragraph 9 of the Sixth Schedule which has been included in the taxpayer's taxable income for the relevant period exceeds an amount obtained by dividing the gain by the number of full years in the period reckoned from the commencement date of the insurance policy in question (as contemplated in the definition of 'commencement date' in paragraph 1 of the said Schedule) or the thirtieth day of March, 1972, or the date on which the owner of
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5 the policy became the owner thereof (as contemplated in the definition of 'owner' in paragraph 1 of the said Schedule), whichever date is the latest, to the date of the receipt or accrual (as determined in accordance with the said Schedule) of the insurance benefit or the consideration in respect of which the said gain is determined:

10 Provided that the amount represented by the expression 'B + C - D - E - J' in the [first] formula [or the expression '(B + C - D - E - J) - G' in the second formula] shall in no case be determined at an amount of less than one rand: 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."

20 26. Paragraph 20 of the First Schedule to the principal Act is hereby amended—

(a) by the substitution for item (i) of subparagraph (1) of the following item:

25 "(i) an amount equal to nine per cent (or, in the case of a person who is not a married person, twelve per cent) of [so much of] the taxpayer's excess farming profits for the year of assessment (as determined in accordance with subparagraph (3) (a)); [as remains after deducting any amount allowable by way of abatements under subparagraph (5) (b)] and"; and

30 (b) by the deletion of subparagraph (5).

Amendment of paragraph 20 of 1st Schedule to Act 58 of 1962, as added by section 33 of Act 69 of 1975 and amended by section 31 of Act 103 of 1976 and section 25 of Act 113 of 1977.

27. Paragraph 1 of the Second Schedule to the principal Act is hereby amended—

35 (a) by the substitution in the definition of "formula A" for the expression "twenty-two thousand five hundred rand" of the expression "R30 000"; and

(b) by the substitution in paragraph (b) of the definition of "formula B" for the expression "forty-five thousand rand" of the expression "R60 000".

Amendment of paragraph 1 of 2nd 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, section 26 of Act 113 of 1977 and section 17 of Act 104 of 1979.

40 28. Paragraph 5 of the Second Schedule to the principal Act is hereby amended—

(a) by the substitution in item (a) of subparagraph (2) for the expression "nine thousand rand" of the expression "R12 000";

45 (b) by the substitution in item (b) of the said subparagraph for the expression "twenty-two thousand five hundred rand", wherever it occurs, of the expression "R30 000"; and

50 (c) by the substitution in item (d) of the said subparagraph for the expression "forty-five thousand rand" of the expression "R60 000".

Amendment of paragraph 5 of 2nd Schedule to Act 58 of 1962, as amended by section 31 of Act 90 of 1962, section 21 of Act 72 of 1963, section 25 of Act 90 of 1964, section 35 of Act 88 of 1971, section 35 of Act 69 of 1975 and section 27 of Act 113 of 1977.

29. Paragraph 9 of the Fourth Schedule to the principal Act is hereby amended by the substitution in subparagraph (1) for the expression "abatements" of the expression "rebates", and for

Amendment of paragraph 9 of the 4th Schedule to Act 58 of 1962,

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- the expression "section 5A (2) and (3) (a)" of the expression "section 6 (2) and (3) (a)". as added by section 19 of Act 6 of 1963 and amended by section 39 of Act 88 of 1971 and section 32 of Act 103 of 1976.
30. Paragraph 17 of the Fourth Schedule to the principal Act is hereby amended by the substitution in subparagraph (5) for the expression "abatements" of the expression "rebates", and for the expression "section 5A (2) and (3) (a)" of the expression "section 6 (2) and (3) (a)". Amendment of paragraph 17 of 4th Schedule to Act 58 of 1962, as added by section 19 of Act 6 of 1963 and amended by section 27 of Act 90 of 1964, section 41 of Act 88 of 1971 and section 33 of Act 103 of 1976.
31. (1) Paragraph 6 of the Fifth Schedule to the principal Act is hereby amended by the insertion after the second proviso to 10 subparagraph (1) of the following further proviso:  
"Provided further that the date so determined in the case of persons other than companies may be a date other than the date so determined in the case of companies." Amendment of paragraph 6 of 5th Schedule to Act 58 of 1962, as amended by section 26 of Act 52 of 1970 and amended by section 26 of Act 90 of 1972, section 60 of Act 85 of 1974 and section 18 of Act 101 of 1978.
- 15 (2) The amendment effected by subsection (1) shall be deemed to have taken effect on 1 March 1979.
32. (1) The principal Act and any other law relating to income tax is hereby amended by the substitution for the words "Secretary" and "Secretary's", wherever they are used to denote the Secretary for Inland Revenue, of the words "Commissioner" and "Commissioner's" respectively. Substitution of "Commissioner" for "Secretary" in Act 58 of 1962 and other laws.
- 20 (2) The amendment effected by subsection (1) shall be deemed to have taken effect as from 1 April 1980.
33. Save in so far as is otherwise provided therein, or the context otherwise indicates, the amendments effected to the 25 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 1981. Commencement of certain amendments.
- 30 34. This Act shall be called the Income Tax Act, 1980. Short title.

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## Schedule

RATES OF NORMAL TAX PAYABLE BY PERONS OTHER THAN COMPANIES IN RESPECT OF THE YEARS OF ASSESSMENT ENDING 28 FEBRUARY 1981 AND 30 JUNE 1981, AND BY COMPANIES IN RESPECT OF YEARS OF ASSESSMENT ENDING DURING THE PERIOD OF TWELVE MONTHS ENDING 31 MARCH 1981.

(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 table below: Provided that in the case of a person who is not a married person—
- (i) there shall be added to the amount of tax calculated in accordance with the said table in respect of so much of the taxable income of such person as does not exceed R28 000 a surcharge equal to 20 per cent of an amount arrived at by deducting from the amount of tax so calculated an amount equal to the sum of the rebates allowed to be deducted under section 6 of the principal Act;
- (ii) where the taxable income of such person exceeds R28 000, the amount of tax to be calculated in respect of that portion of his taxable income as remains after the deduction therefrom of the sum of R28 000 shall, in lieu of any calculation of tax in accordance with the said table in respect of the said portion, be calculated at the rate of 50 per cent of the said portion;

Table

Taxable Income		Rates of Tax
Where the taxable income— does not exceed R6 000 .....		8 per cent of each R1 of the taxable income;
exceeds R6 000 but does not exceed	R7 000	R480 plus 10 per cent of the amount by which the taxable income exceeds R6 000
“ R7 000 “ “	R8 000	R580 plus 12 per cent of the amount by which the taxable income exceeds R7 000;
“ R8 000 “ “	R9 000	R700 plus 14 per cent of the amount by which the taxable income exceeds R8 000;
“ R9 000 “ “	R10 000	R840 plus 16 per cent of the amount by which the taxable income exceeds R9 000;
“ R10 000 “ “	R11 000	R1 000 plus 18 per cent of the amount by which the taxable income exceeds R10 000;
“ R11 000 “ “	R12 000	R1 180 plus 20 per cent of the amount by which the taxable income exceeds R11 000;
“ R12 000 “ “	R13 000	R1 380 plus 22 per cent of the amount by which the taxable income exceeds R12 000;
“ R13 000 “ “	R14 000	R1 600 plus 24 per cent of the amount by which the taxable income exceeds R13 000;
“ R14 000 “ “	R15 000	R1 840 plus 26 per cent of the amount by which the taxable income exceeds R14 000;
“ R15 000 “ “	R16 000	R2 100 plus 28 per cent of the amount by which the taxable income exceeds R15 000;
“ R16 000 “ “	R18 000	R2 380 plus 30 per cent of the amount by which the taxable income exceeds R16 000;
“ R18 000 “ “	R20 000	R2 980 plus 32 per cent of the amount by which the taxable income exceeds R18 000;
“ R20 000 “ “	R22 000	R3 620 plus 34 per cent of the amount by which the taxable income exceeds R20 000;
“ R22 000 “ “	R24 000	R4 300 plus 36 per cent of the amount by which the taxable income exceeds R22 000;
“ R24 000 “ “	R26 000	R5 020 plus 38 per cent of the amount by which the taxable income exceeds R24 000;
“ R26 000 “ “	R28 000	R5 780 plus 40 per cent of the amount by which the taxable income exceeds R26 000;
“ R28 000 “ “	R30 000	R6 580 plus 42 per cent of the amount by which the taxable income exceeds R28 000;
“ R30 000 “ “	R32 000	R7 420 plus 44 per cent of the amount by which the taxable income exceeds R30 000;

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Taxable Income	Rates of Tax
Where the taxable income—	
exceeds R32 000 but does not exceed R34 000	R8 300 plus 46 per cent of the amount by which the taxable income exceeds R32 000;
„ R34 000 „ „ R36 000	R9 220 plus 47 per cent of the amount by which the taxable income exceeds R34 000;
„ R36 000 „ „ R38 000	R10 160 plus 48 per cent of the amount by which the taxable income exceeds R36 000;
„ R38 000 „ „ R40 000	R11 120 plus 49 per cent of the amount by which the taxable income exceeds R38 000;
„ R40 000 .....	R12 100 plus 50 per cent of the amount by which the taxable income exceeds R40 000;

(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 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 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 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 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:

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

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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 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 principal Act, a rate equal to the average rate of normal tax or thirty-five cents, 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 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;
- (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.

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 income which, in the opinion of the Commissioner, results directly from mining for gold.

(2) 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.