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No. 10978

KAAPSTAD, 14 OKTOBER 1987

STATE PRESIDENT'S OFFICE

KANTOOR VAN DIE STAATSPRESIDENT

No. 2299.

14 October 1987

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

No. 86 of 1987: Taxation Laws Amendment Act, 1987.

No. 2299.

14 Oktober 1987

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

No. 86 van 1987: Wysigingswet op Belastingwette, 1987.

Act No. 86, 1987

TAXATION LAWS AMENDMENT ACT, 1987

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 amend the Transfer Duty Act, 1949, so as to provide for the date of acquisition of, and value on which transfer duty is payable in respect of, a certain conversion of a right of leasehold into ownership; to provide for a further exemption from the payment of transfer duty; and to amend section 9 of that Act; to amend the Estate Duty Act, 1955, so as to further define "child"; to regulate the deductions which may be made in the determination of the net value of an estate; to empower the Commissioner for Inland Revenue to raise additional assessments and to provide for a prescription period in respect of such additional assessments; to amend section 24 of that Act; and to provide for new provisions for the recovery of duty; to amend the Stamp Duties Act, 1968, so as to empower the Commissioner for Inland Revenue to authorize banks to pay duty by means of the issue of a special receipt; and amend Item 15 of Schedule 1 to that Act; to delete section 57A (2) of the Black Communities Development Act, 1984; to amend the Sales Tax Act, 1978, so as to further define "charitable institution"; to make further provision in connection with the preservation of secrecy; to make further provision in connection with exemption from sales tax; to further regulate the determination of the taxable value of goods applied for demonstration purposes or for a period shorter than the remaining useful life of such goods, and the time at which tax in respect of such value shall be deemed to have become payable; to provide for the determination of the taxable value of certain food or drink supplied to employees of hotel or catering enterprises; to empower the Commissioner for Inland Revenue to refuse to cancel a vendor's registration certificate in certain circumstances; to extend the power of the Commissioner for Inland Revenue to authorize refunds of tax; to empower the Commissioner for Inland Revenue to register an institution or organization which has not yet carried on charitable activities, as a charitable institution; and to amend Schedules 1, 2, 4 and 5 to the said Act; to amend the Sales Tax Amendment Act, 1986, so as to effect a certain textual alteration; and to provide for matters connected therewith.

(Afrikaans text signed by the State President.)
(Assented to 6 October 1987.)

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

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TAXATION LAWS AMENDMENT ACT, 1987

Amendment of section 1 of Act 40 of 1949, as amended by section 11 of Act 80 of 1959, section 1 of Act 77 of 1964, section 5 of Act 103 of 1969 and section 4 of Act 106 of 1980.

1. Section 1 of the Transfer Duty Act, 1949, is hereby amended—

- (a) by the substitution in paragraph (a) of the definition of “date of acquisition” for the expression “paragraph (b)” of the expression “paragraphs (b) and (c)”; and 5
- (b) by the addition to the definition of “date of acquisition” of the following paragraph:
“(c) in the case of the conversion of any right of leasehold into ownership as contemplated in section 57A of the Black Communities Development Act, 1984 (Act No. 4 of 1984), the date on which application for such conversion is made to the relevant authorities or the date on which the owner of the land consents to such conversion, whichever date is the later.”. 10 15

Amendment of section 5 of Act 40 of 1949, as amended by section 6 of Act 103 of 1969.

2. Section 5 of the Transfer Duty Act, 1949, is hereby amended by the insertion after subsection (5) of the following subsection:

- “(5A) Where any right of leasehold is converted into ownership as contemplated in section 57A of the Black Communities Development Act, 1984 (Act No. 4 of 1984), the value on which duty shall be payable shall be the aggregate of the amount of any consideration paid by the holder of the right of leasehold in respect of the acquisition of such right and the amount of the conversion price, if any, contemplated in the said section.”. 20 25

Amendment of section 9 of Act 40 of 1949, as amended by section 3 of Act 31 of 1953, section 12 of Act 80 of 1959, section 3 of Act 70 of 1963, section 3 of Act 77 of 1964, section 1 of Act 81 of 1965, section 7 of Act 103 of 1969, section 2 of Act 89 of 1972, section 3 of Act 66 of 1973, section 5 of Act 88 of 1974, section 77 of Act 54 of 1976, section 2 of Act 95 of 1978, section 6 of Act 106 of 1980, section 2 of Act 99 of 1981, section 2 of Act 118 of 1984 and section 3 of Act 81 of 1985.

3. (1) Section 9 of the Transfer Duty Act, 1949, is hereby amended by the addition to subsection (1) of the following paragraph:

- “(j) any company, society or other association of persons which is exempt from tax in terms of section 10 (1) (cF) of the Income Tax Act, 1962 (Act No. 58 of 1962).”. 30

(2) Subsection (1) shall be deemed to have come into effect on 1 March 1982.

Amendment of section 12 of Act 40 of 1949, as substituted by section 8 of Act 103 of 1969 and amended by section 2 of Act 72 of 1970, section 2 of Act 92 of 1971 and section 1 of Act 70 of 1975.

4. Section 12 of the Transfer Duty Act, 1949, is hereby amended by the substitution for paragraph (b) of subsection (1) of the following paragraph:

- “(b) where the property is [in terms of section 11 of the Sale of Land on Instalments Act, 1971] to be transferred from the registered owner direct to a person who acquired the property [under a transaction which is an intermediate transaction contemplated in the said Act] from an intermediary contemplated in the Alienation of Land Act, 1981 (Act No. 68 of 1981), that any duty payable under this Act or any other law has been paid 35 40 45

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in respect of the acquisition of the property by the **[person]** intermediary who acquired the property from the registered owner, and in respect of each subsequent acquisition of the property by any person **[under such a transaction]** who is also an intermediary as contemplated in the said Act.”.

Amendment of section 1 of Act 45 of 1955, as amended by section 1 of Act 59 of 1957, section 1 of Act 65 of 1960, section 7 of Act 77 of 1964, section 3 of Act 92 of 1971 and section 9 of Act 106 of 1980.

5. Section 1 of the Estate Duty Act, 1955, is hereby amended by the substitution for paragraph (a) of the definition of “child” of the following paragraph:

“(a) under **[the provisions of the Adoption of Children Act, 1923 (Act No. 25 of 1923), or the Children’s Act, 1937 (Act No. 31 of 1937), or the Children’s Act, 1960 (Act No. 33 of 1960)]** any law of the Republic; or”.

Amendment of section 4 of Act 45 of 1955, as amended by section 2 of Act 59 of 1957, section 3 of Act 65 of 1960, section 9 of Act 71 of 1961, section 9 of Act 77 of 1964, section 3 of Act 81 of 1965, section 2 of Act 94 of 1967, section 5 of Act 92 of 1971, section 2 of Act 70 of 1975, section 1 of Act 104 of 1976, section 4 of Act 102 of 1979, section 11 of Act 106 of 1980, section 3 of Act 99 of 1981 and section 5 of Act 81 of 1985.

6. (1) Section 4 of the Estate Duty Act, 1955, is hereby amended—

(a) by the substitution for paragraph (h) of the following paragraph:

“(h) the value of any property included in the estate which has not been allowed as a deduction under any other provision of this section which accrues or accrued to—

- (i) any charitable, educational or ecclesiastical institution of a public character which has been approved by the Commissioner under the provisions of section 10 (1) (f) of the Income Tax Act, 1962 (Act No. 58 of 1962); or
- (ii) any institution of a public character within the Republic which is exempt from tax in terms of section 10 (1) (cB) (i) (aa), (bb), (cc) or (dd) of the said Act; or
- (iii) the State or any local authority within the Republic;”;

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

“(m) the value of any usufructuary or other like interest in property and of any right to an annuity charged upon property, included as property of the deceased under section 3 (2) (a), if such interest or right was created by a predeceased spouse of the deceased and the property over which the deceased enjoyed such interest or right—

- (i) formed part of the estate of such predeceased spouse; and
- (ii) was not allowed as a deduction in the determination of the net value of the estate of the predeceased spouse under the provisions of paragraph (q) of this section;”;

(c) by the substitution for paragraph (q) of the following paragraph:

“(q) so much of the **[amount]** value of any property included in the estate which has not been allowed as a deduction under the foregoing provisions of this section, as accrues to the surviving spouse of the deceased: Provided that—

- (i) the deduction allowable under the provisions of this paragraph shall be reduced by so much of any amount as the surviving spouse is required in terms of the will of the deceased to dispose of to any other person or trust;

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- (ii) no deduction shall be allowed under the provisions of this paragraph in respect of any property which accrues to a trust established by the deceased for the benefit of the surviving spouse, if the trustee of such trust has a discretion to allocate such property or any income therefrom to any person other than the surviving spouse.” 5

(2) Subsection (1) shall come into operation on 1 November 1987 and shall apply in respect of the estate of any person who dies on or after that date. 10

Insertion of
section 9A in
Act 45 of 1955.

7. The following section is hereby inserted in the Estate Duty Act, 1955, after section 9:

“Additional
assessments.

9A. If at any time the Commissioner is satisfied—

- (a) that the value of any property which was subject to duty and should have been assessed to duty under this Act has not been assessed to duty; or 15
- (b) that any amount of duty which was chargeable and should have been assessed under this Act has not been assessed, 20
- he shall raise an assessment or assessments in respect of the said value or amount, notwithstanding that an assessment or assessments in respect of the value or amount in question may have been made upon the executor or person liable for the duty, and notwithstanding the provisions of section 24 (9): Provided that the Commissioner shall not raise an assessment under this subsection— 25
- (i) after the expiration of five years from the date of the assessment notice in terms of which any value or amount which should have been assessed to duty under such assessment was not so assessed or in terms of which the amount of duty assessed was less than the amount of such duty which was properly chargeable, unless the Commissioner is satisfied that the fact that the value or amount which should have been assessed to duty was not so assessed or the fact that the full amount of duty chargeable was not assessed, was due to fraud or misrepresentation or non-disclosure of material facts; or 30
- (ii) if the value or amount which should have been assessed to duty under the assessment referred to in paragraph (i) of this proviso was, in accordance with the practice generally prevailing as established by the Commissioner at the date of the assessment, not assessed to duty, or the full amount of duty which should have been assessed under such assessment was, in accordance with such practice, not assessed; or 35
- (iii) in respect of any value or amount, if any previous assessment made on the executor or person concerned has in respect of that value or amount been amended or reduced pursuant to any order made by a special court for hearing income tax appeals constituted under the provisions of section 83 of the Income Tax Act, 1962 (Act No. 58 of 1962), unless the Commissioner is satisfied that the order in question was obtained by fraud or misrepresentation or non-disclosure of material facts.” 40 45 50 55 60

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Amendment of section 24 of Act 45 of 1955, as substituted by section 15 of Act 77 of 1962 and amended by section 12 of Act 77 of 1964 and section 2 of Act 104 of 1976.

8. Section 24 of the Estate Duty Act, 1955, is hereby amended—

(a) by the substitution for subsection (8) of the following subsection:

“(8) The provisions of subsections (8), (9), (10), (11), (12), (14), (15), (16) and (17) of section 83, and of sections 84, 85, 86 and 86A, of the Income Tax Act, 1962, and any regulations made under that Act and relating to any appeal to the special court referred to in subsection (4) and to any appeal in terms of the said sections 86 and 86A, shall *mutatis mutandis* apply with reference to any appeal under this section.”; and

(b) by the addition of the following subsection:

“(9) Where no objections are made to any assessment or where objections have been allowed or withdrawn, such assessment or altered or reduced assessment, as the case may be, shall, subject to the right of appeal in terms of this section, be final and conclusive.”.

Substitution of section 25 of Act 45 of 1955, as amended by section 16 of Act 77 of 1962.

9. The following section is hereby substituted for section 25 of the Estate Duty Act, 1955:

“Recovery of duty and interest.

25. (1) Any amount of duty or interest payable in terms of this Act shall, when it becomes due or is payable, be a debt due to the State, and may be recovered by the Commissioner in the manner provided in this section.

(2) (a) If any person fails to pay any duty or interest payable in terms of this Act, when it becomes due or is payable by him, the Commissioner may file with the clerk or registrar of any competent court a statement certified by him as correct and setting forth the amount thereof so due or payable by that person, and such statement shall thereupon have all the effects of, and any proceedings may be taken thereon as if it were, a civil judgment delivered in that court in favour of the Commissioner for a liquid debt of the amount specified in the statement.

(b) The Commissioner may by notice in writing addressed to that clerk or registrar, withdraw the statement referred to in paragraph (a) and such statement shall thereupon cease to have any effect: Provided that the Commissioner may institute proceedings afresh under that paragraph in respect of any duty or interest referred to in the withdrawn statement.

(c) The Commissioner may institute proceedings for the sequestration of the estate of any person and shall for the purposes of such proceedings be deemed to be the creditor in respect of any duty or interest payable by such person under the provisions of this Act.

(3) Notwithstanding anything contained in the Magistrates' Courts Act, 1944 (Act No. 32 of 1944), a statement in respect of any amount may be filed in terms of subsection (2) (a) with the clerk of the magistrate's court having jurisdiction in respect of the person by whom such amount is payable in accordance with the provisions of this Act.

(4) No person may in any proceedings in connection with any statement filed in terms of subsection (3), question the correctness of any assessment on which such statement is based, notwithstanding that an objection and appeal may have been lodged thereto.”.

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Amendment of section 5 of Act 77 of 1968, as amended by section 9 of Act 89 of 1972, section 7 of Act 66 of 1973, section 9 of Act 114 of 1977 and section 5 of Act 118 of 1984.

10. Section 5 of the Stamp Duties Act, 1968, is hereby amended by the substitution for paragraph (iii) of the proviso to subsection (1) of the following paragraph:

“(iii) where the Commissioner is satisfied that—

(a) any person or class of persons cannot conveniently 5 denote the duty in respect of fixed deposit receipts or the original issue of marketable securities by means of stamps affixed to such fixed deposit receipts or marketable securities; or

(b) any bank registered under the Banks Act, 1965 10 (Act No. 23 of 1965), cannot conveniently denote the duty in respect of hire-purchase agreements or contracts or financial leases chargeable with duty under Item 13A of Schedule 1 by means of stamps affixed to such hire-purchase agreements or con-15 tracts or financial leases,

he may, subject to such conditions as he may impose and subject to the exercise of such control as he considers necessary, agree that payment of such duty may be acknowledged by means of the issue of a special receipt, and 20 any such fixed deposit receipt [or], marketable security, hire-purchase agreement or contract or financial lease which bears on its face the words ‘duty paid’, shall for the purposes of this Act be deemed to be duly stamped.”.

Amendment of Item 15 of Schedule 1 to Act 77 of 1968, as substituted by section 13 of Act 89 of 1972 and amended by section 16 of Act 66 of 1973, section 21 of Act 88 of 1974, section 3 of Act 104 of 1976, section 20 of Act 114 of 1977, section 8 of Act 95 of 1978, section 8 of Act 102 of 1979, section 21 of Act 106 of 1980, section 9 of Act 99 of 1981, section 7 of Act 87 of 1982, section 14 of Act 92 of 1983, section 11 of Act 118 of 1984, section 11 of Act 81 of 1985, section 5 of Act 71 of 1986 and section 13 of Act 108 of 1986.

11. Item 15 of Schedule 1 to the Stamp Duties Act, 1968, is 25 hereby amended by the substitution for subparagraph (iv) of paragraph (5) of the following subparagraph:

“(iv) if the date of acquisition of such marketable security falls on or after 1 April 1986 and the relevant deed or declaration referred to in section 23 (15) of this Act is 30 duly stamped before the expiry of a period of six months from the date of such acquisition: for every R10, or part thereof, of the amount or value of the consideration given or, where no consideration is given or the consideration given is less than the value of the 35 marketable security transferred, of the value of the marketable security 015.”.

(2) Subsection (1) shall be deemed to have come into operation on 1 April 1986.

Amendment of section 1 of Act 103 of 1978, as amended by section 1 of Act 111 of 1979, section 1 of Act 105 of 1980, section 1 of

12. Section 1 of the Sales Tax Act, 1978 (hereinafter referred 40 to as the principal Act), is hereby amended by the substitution for paragraph (a) of the definition of “charitable institution” of the following paragraph:

“(a) which carries on or intends to carry on charitable activities consisting of the provision of food, meals, board, 45 lodging, clothing or other necessities, comforts or ame-

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Act 97 of 1981,
section 1 of
Act 90 of 1982,
section 1 of
Act 95 of 1983,
section 1 of
Act 99 of 1984,
section 1 of
Act 102 of 1985,
section 1 of
Act 70 of 1986
and section 1 of
Act 31 of 1987.

nties to aged or indigent persons, children or physical-
ly or mentally handicapped persons; and”.

Amendment of
section 4 of
Act 103 of 1978.

13. Section 4 of the principal Act is hereby amended—

- (a) by the substitution for subsection (2) of the following subsection:

“(2) The provisions of subsection (1) shall not be construed as preventing the Commissioner from—

- (a) using [for the purposes of any other law administered by him] any information obtained by him in the exercise of his powers or the performance of his duties under this Act for the purposes of any other fiscal law administered by him;
- (b) disclosing such information to the Commissioner for Customs and Excise if he is satisfied that it is required for the prevention or combating of the evasion of any tax, duty or levy imposed under any fiscal law administered by the last-mentioned Commissioner.”;

- (b) by the insertion after subsection (2) of the following subsection:

“(2A) The Commissioner for Customs and Excise or any other person employed in carrying out the provisions of any fiscal law administered by the said Commissioner shall not disclose any information supplied to that Commissioner under subsection (2) to any person or permit any person to have access thereto, except in the exercise of his powers or the performance of his duties under such a law or by order of a competent court.”; and

- (c) by the substitution for subsection (3) of the following subsection:

“(3) Any person who contravenes the provisions of subsection (1) or (2A) shall be guilty of an offence and liable on conviction to a fine not exceeding R5 000 or to imprisonment for a period not exceeding two years or to both such fine and such imprisonment.”.

Amendment of
section 6 of
Act 103 of 1978,
as amended by
section 4 of
Act 111 of 1979,
section 2 of
Act 105 of 1980,
section 3 of
Act 97 of 1981,
section 2 of
Act 90 of 1982,
section 3 of
Act 95 of 1983,
section 3 of
Act 99 of 1984,
section 3 of
Act 102 of 1985,
section 2 of
Act 70 of 1986
and section 2 of
Act 31 of 1987.

14. (1) Section 6 of the principal Act is hereby amended—

- (a) by the deletion of the proviso to subparagraph (i) of paragraph (b) of subsection (1);
- (b) by the deletion of the proviso to subparagraph (i) of 40 paragraph (t) of subsection (1); and
- (c) by the deletion of the proviso to subparagraph (i) of paragraph (v) of subsection (1).

(2) Subsection (1) shall come into operation on 1 November 1987.

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Amendment of section 7 of Act 103 of 1978, as amended by section 5 of Act 111 of 1979, section 3 of Act 105 of 1980, section 4 of Act 97 of 1981, section 4 of Act 95 of 1983, section 4 of Act 99 of 1984 and section 3 of Act 70 of 1986.

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

- (a) by the substitution for paragraphs (f) and (g) of subsection (5) of the following paragraphs, respectively:

“(f) where the goods were applied by any person for purposes of demonstration as contemplated in subsection (1) (h) (ii), an amount equal to one-twelfth of an amount calculated at the rate of 10 per cent per annum of the cost contemplated in paragraph (a), (b), (c), (d) or (e), as the case may be, for [the period] each month during which such goods are or were applied for purposes of demonstration as contemplated in the said subsection;

(g) where the goods [are or the], property or asset is applied as contemplated in section 5 (1) (h) for a period shorter than the remaining useful life of such goods, property or asset, an amount equal to one-twelfth of an amount calculated at the rate of 10 per cent per annum of the cost contemplated in paragraph (a), (b), (c), (d) or (e), as the case may be, for [the period] each month during which such goods, property or asset [were] is or was so applied; or”;

- (b) by the addition to paragraph (h) of subsection (5) of the word “or”; and

- (c) by the addition to subsection (5) of the following paragraph:

“(i) where the goods consist of any cooked or prepared food or any non-alcoholic drink to be supplied without charge by any vendor who is registered in respect of any hotel or catering enterprise to any employee of that enterprise, an amount equal to 10 per cent of the list or menu selling price charged by such enterprise for the supply of such food or drink to patrons of the enterprise.”.

- (2) Subsection (1) shall come into operation on 1 November 1987.

Amendment of section 8 of Act 103 of 1978, as amended by section 5 of Act 97 of 1981.

16. (1) Section 8 of the principal Act is hereby amended by the substitution for subparagraph (ii) of paragraph (f) of the following subparagraph:

“(ii) where such goods [were] are applied by a vendor for purposes of demonstration as contemplated in section 7 (1) (h) (ii) or are applied by him for a period shorter than the remaining useful life of the goods as contemplated in section 7 (5) (g), on the [date on which the sale of such goods is concluded by such vendor] last day of each month during which the goods are or were so applied.”.

- (2) Subsection (1) shall come into operation on 1 November 1987.

Amendment of section 13 of Act 103 of 1978, as amended by section 8 of Act 111 of 1979, section 3 of Act 90 of 1982, section 9 of Act 99 of 1984, section 7 of Act 70 of 1986, and section 5 of Act 31 of 1987.

17. (1) Section 13 of the principal Act is hereby amended by the addition to subsection (9) of the following proviso:

“Provided that if the Commissioner is of the opinion that the certificate ought not to be cancelled, he may refuse to cancel it notwithstanding such application or written notice.”.

- (2) Subsection (1) shall be deemed to have come into operation on 4 July 1986.

Amendment of section 32 of Act 103 of 1978,

18. (1) Section 32 of the principal Act is hereby amended—

- (a) by the addition to paragraph (b) of subsection (1) of the word “or”;

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as amended by
section 13 of
Act 111 of 1979,
section 7 of
Act 95 of 1983,
section 13 of
Act 99 of 1984
and section 10 of
Act 70 of 1986.

- (b) by the insertion after paragraph (b) of subsection (1) of the following paragraph:
“(c) that any registered vendor contemplated in a regulation made under section 48 in regard to the sale or importation of liquor, has borne tax in respect of any tax period in an amount which is in excess of the tax payable by him for that period.”;
- (c) by the addition to paragraph (ii) of subsection (1) of the word “or”; and
- (d) by the insertion after paragraph (ii) of subsection (1) of the following paragraph:
“(iii) of the amount referred to in paragraph (c), to the vendor by whom the tax was borne.”.

(2) Subsection (1) shall be deemed to have come into operation on 1 May 1987. 15

Amendment of
section 36 of
Act 103 of 1978,
as amended by
section 11 of
Act 70 of 1986.

19. Section 36 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection:

“(1) The Commissioner may, on the written application by any institution or organization which satisfies him that it is or will be a charitable institution, register such institution or organization as a vendor in respect of such charitable activities which are or will be carried on by it as are [referred to] contemplated in the definition of ‘charitable institution’ in section 1, and issue to such institution or organization a registration certificate in such form as the Commissioner may see fit.”. 20 25

Amendment of
Schedule 1 to
Act 103 of 1978,
as amended by
section 19 of
Act 111 of 1979,
section 7 of
Act 105 of 1980,
section 8 of
Act 97 of 1981,
section 8 of
Act 90 of 1982,
section 8 of
Act 95 of 1983,
section 15 of
Act 99 of 1984
and section 17 of
Act 70 of 1986.

20. (1) Schedule 1 to the principal Act is hereby amended by the substitution for subparagraph (c) of paragraph 1 of the following subparagraph:

“(c) Services rendered or facilities provided by any person in the course of the carrying on by him of any enterprise which is the trade, business or occupation of a dressmaker, tailor, milliner, barber, hairdresser, dry-cleaner, dyer, launderer (including a provider of coin-operated laundry services), blacksmith, locksmith, signwriter, printer, engraver, photographer, processor of photographic material, picture framer, provider of duplicating services, provider of blueprint services, tanner, leather processor, taxidermist, tower of motor vehicles, provider of fumigation or pest-control services, provider of animal care services (other than veterinary services or animal care services rendered in the course of farming operations carried on by the provider of such services).”.

(2) Subsection (1) shall come into operation on 1 November 1987. 45

Amendment of
Schedule 2 to
Act 103 of 1978,
as amended by
section 20 of
Act 111 of 1979,
section 8 of
Act 105 of 1980,
section 9 of
Act 97 of 1981,
section 9 of
Act 90 of 1982,
section 9 of
Act 95 of 1983,
section 16 of
Act 99 of 1984,
section 8 of
Act 102 of 1985,
section 18 of
Act 70 of 1986
and section 14 of
Act 31 of 1987.

21. (1) Schedule 2 to the principal Act is hereby amended—

- (a) by the substitution for Items (3) and (4) under the heading *Non-qualifying goods* in Division I of the following items: 50

“(3) Tools, accessories, [or ancilliary] equipment or component parts attached to machinery or plant and which come into direct contact with goods which are being processed and which by their specific function alter such goods or are used for the purposes of brushing, crushing, cutting, forming, honing, machining, mixing, moulding, painting, polishing or screening

(4) Tools, accessories, [or ancilliary] equipment or component parts attached to machinery or plant used for the purpose of handling goods which are being processed”; 55 60

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- (b) by the addition to Division IA of the following paragraph:
"8. Containers and packaging or wrapping materials (including labels and hangers) intended to be disposed of to customers of such enterprise."; 5
- (c) by the addition to Division IB of the following paragraph:
"3. Containers and packaging or wrapping materials (including labels) intended to be disposed of to customers of such enterprise."; 10
- (d) by the substitution for Item 104 of paragraph 1 of Division III of the following item:
"104 Drill steel, shanks and couplings for drill steel, drill steel stabilizer rollers and drill steel swivelmount shock assemblies, reaming shells, core barrel assembly, drill rods, couplings for drill rods, clamps, hoisting plugs and steel ropes used in the operation of core drilling rigs"; 15
- (e) by the substitution for Item 400 of paragraph 1 of Division III of the following item: 20
"400 Parts and materials (including refrigerant gas) for incorporation in or attachment to any of the following for the purposes of the repair [and] or maintenance thereof—
Crushers, mills, [conveyors] fixed-path belt, chain or cable conveyor systems, elevators, [pumps] pump units, skips and cages, fume and dust extraction [plants] plant and ventilation systems (including cooling and refrigeration plant)"; 25
- (f) by the substitution for Item 504 of paragraph 1 of Division III of the following item: 30
"504 Containers and packaging or wrapping materials (including labels) for use in [the packing of asbestos fibre and mined salt] the marketing of the products of such mining or quarrying operations"; and 35
- (g) by the addition to Division VI of the following paragraph:
"5. Goods in the form of eating, drinking or carrying utensils or articles or serviettes intended for sale as adjuncts to the supply of any cooked or prepared food or any beverage, and containers and packaging or wrapping materials (including labels) intended to be disposed of to customers of such enterprise." 40
- (2) Subsection (1) (b), (f) and (g) shall come into operation on 1 November 1987. 45

Amendment of Schedule 4 to Act 103 of 1978, as amended by section 22 of Act 111 of 1979, section 9 of Act 105 of 1980, section 10 of Act 97 of 1981, section 11 of Act 95 of 1983, section 17 of Act 99 of 1984 and section 19 of Act 70 of 1986.

22. (1) Schedule 4 to the principal Act is hereby amended by the substitution for subparagraph (vi) of paragraph 4 of the following subparagraph:
 "(vi) any rental or other consideration payable in respect of the use of or the right to use or the grant of permission to use— 50
(aa) any goods for the purposes of any sport, games or amusement activity; or
(bb) any goods in the form of any coin-operated laundry equipment, 55
 for a continuous period of not longer than 12 hours at a charge not exceeding R5 and where the use of such goods is restricted to the premises or place of business of the person controlling the use of such goods."
- (2) Subsection (1) shall come into operation on 1 November 1987. 60

Act No. 86, 1987

TAXATION LAWS AMENDMENT ACT, 1987

Amendment of
Schedule 5 to
Act 103 of 1978,
as amended by
Government Notice
R.1725 of 15
August 1978,
Government Notice
R.1991 of 29
September 1978,
section 23 of
Act 111 of 1979,
section 10 of
Act 105 of 1980,
Government Notice
R.2419 of 28
November 1980,
section 11 of
Act 97 of 1981,
section 12 of
Act 95 of 1983,
Government Notice
R.2599 of 25
November 1983,
section 18 of
Act 99 of 1984,
section 10 of
Act 102 of 1985
and section 20 of
Act 70 of 1986.

Payment of tax in
respect of certain
applications.

Amendment of
section 4 of
Act 70 of 1986.

Amendment of
section 57A of
Act 4 of 1984.

Withdrawal of
Government Notice
143 of 1987.

Short title.

23. (1) Schedule 5 to the principal Act is hereby amended—
- (a) by the substitution in Item 412.10 of paragraph 1 of Part A for the expression "R40" of the expression "R100"; and
 - (b) by the substitution in paragraph 3 of Part A for the expression "R10" of the expression "R40".
- (2) Subsection (1) (a) shall be deemed to have come into operation on 13 December 1985.
- (3) Subsection (1) (b) shall be deemed to have come into operation on 23 September 1985.

24. Where any goods, property or asset has before 1 November 1987 been applied as contemplated in section 5 (1) (h) of the principal Act—

- (a) for a period shorter than the remaining useful life of such goods, property or asset; or
 - (b) for the purposes of demonstration as contemplated in section 7 (1) (h) (ii) of the principal Act,
- tax in respect of such application shall be deemed to have become payable on 1 November 1987.

25. (1) Section 4 of the Sales Tax Amendment Act, 1986, is hereby amended by the substitution for paragraph (a) of the following paragraph:

"(a) by the substitution in paragraph (i) of subsection (2) for the words preceding subparagraph (aa) of the following words:
'any amount which has in relation to the vendor's enterprise become repayable by, or no longer payable to, the vendor during the tax period—'".

(2) Subsection (1) shall be deemed to have come into operation on 4 July 1986.

26. Section 57A of the Black Communities Development Act, 1984, is hereby amended by the deletion of subsection (2).

27. Government Notice No. 143 of 23 January 1987 is hereby withdrawn.

28. This Act shall be called the Taxation Laws Amendment Act, 1987.