

Please note that most Acts are published in English and another South African official language. Currently we only have capacity to publish the English versions. This means that this document will only contain even numbered pages as the other language is printed on uneven numbered pages.



STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

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GOVERNMENT GAZETTE

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DEPARTEMENT VAN DIE EERSTE MINISTER

DEPARTMENT OF THE PRIME MINISTER

No. 1154.

9 Julie 1976.

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

No. 103 van 1976: Inkomstebelastingwet, 1976.

No. 1154.

9 July 1976.

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

No. 103 of 1976: Income Tax Act, 1976.

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 1977 and 30 June 1977, and by companies in respect of taxable incomes for years of assessment ending during the period of twelve months ending on 31 March 1977; to provide for the payment of a portion of the normal tax payable by certain companies into the Revenue Fund of the territory of South West Africa; to provide for the repayment to the taxpayers concerned of a certain portion of the normal tax paid by those taxpayers; to amend the Income Tax Act, 1962, the Income Tax Act, 1974, and the Income Tax Ordinance, 1974, of the said territory; and to provide for incidental matters.

(English text signed by the State President.)
(Assented to 24 June 1976.)

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 (2) of the Income Tax Act, 1962 (Act No. 58 of 1962) (hereinafter referred to as the principal Act), in respect of—

- (a) the taxable income of any person other than a company for the year of assessment ending 28 February 1977 or 30 June 1977; and
- (b) the taxable income of any company for any year of assessment ending during the period of twelve months ending on 31 March 1977,
- shall be as set forth in the Schedule to this Act.

2. (1) Notwithstanding the provisions of section 5 (1) of the principal Act, but subject to the provisions of any law providing for the payment of moneys into the Rehoboth Revenue Fund, a portion equal to one-seventh of any amount of tax determined in accordance with item (i) of subparagraph (b) of paragraph 1 of the Schedule to this Act, before the addition of the surcharge referred to in the proviso to the said subparagraph, shall accrue for the benefit of the Revenue Fund of the territory of South West Africa and shall be paid into the said fund in the manner prescribed in section 22 (2) (c) of the South West Africa Affairs Act, 1969 (Act No. 25 of 1969).

(2) The provisions of subsection (1) shall be deemed to have come into operation on 1 April 1976.

INCOME TAX ACT, 1976

Act No. 103, 1976

3. The portion of the normal tax determined in accordance with the provisions of paragraph 1 *(h)* or *(i)* of the Schedule to this Act shall be a loan portion of that tax. Certain portion of the normal tax to be repayable to taxpayers.
4. Section 1 of the principal Act is hereby amended—
- (a) by the deletion of subparagraphs *(viii)* and *(ix)* of paragraph *(b)* of the definition of “retirement annuity fund”; and
- (b) by the substitution for the definition of “South African company” of the following definition:
- “‘South African company’ means any association, corporation, company or body corporate referred to in paragraph *(a)* of the definition of ‘company’ in this section or any association referred to in paragraph *(d)* of that definition or any unit portfolio referred to in paragraph *(e)* of that definition, but does not include any company whose registered office is in a country which formerly formed part of the Republic nor any company formed, established or incorporated under the law of such country after it obtained its independence from the Republic;”
- 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 Act 76 of 1968, section 6 of Act 89 of 1969, section 6 of Act 52 of 1970, section 4 of Act 88 of 1971, section 4 of Act 90 of 1972, section 4 of Act 65 of 1973, section 4 of Act 85 of 1974 and section 4 of Act 69 of 1975.
5. Section 5 of the principal Act is hereby amended—
- (a) by the substitution in subsection (1) for the words “Consolidated Revenue Fund” of the words “State Revenue Fund”;
- (b) by the substitution for subsection (2) of the following subsection:
- “(2) Subject to the provisions of subsections (3) to (7), inclusive, and the provisions of the Fourth Schedule, the rates of tax chargeable in respect of taxable income other than the taxable income referred to in subsection (2A), shall be fixed annually by Parliament, but the rates fixed by Parliament in respect of any year of assessment or financial year or, if the rates so fixed have been varied by the Minister of Finance by way of an amendment made under subsection (3) which is still in force, the rates as so varied, shall be deemed to continue in force until the next such determination or variation of rates and shall be applied for the purposes of calculating the tax payable in respect of any such taxable income received by or accrued to or in favour of any person during the next succeeding year of assessment or financial year, as the case may be, if in the opinion of the Secretary the calculation and collection of the tax chargeable in respect of such taxable income cannot without risk of loss of revenue be postponed until after the rates for that year have been determined.”;
- (c) by the insertion after subsection (2B) of the following subsections:
- “(3) After the promulgation of any Act of Parliament fixing rates of normal tax for years of assessment specified therein, before the date mentioned in sub-
- Amendment of section 5 of Act 58 of 1962, as substituted by section 2 of Act 6 of 1963 and amended by section 5 of Act 90 of 1964, section 6 of Act 88 of 1965, section 7 of Act 55 of 1966, section 6 of Act 95 of 1967, section 6 of Act 77 of 1968, section 7 of Act 89 of 1969, section 7 of Act 52 of 1970, section 5 of Act 88 of 1971, section 5 of Act 90 of 1972 and section 5 of Act 65 of 1973.

INCOME TAX ACT, 1976

Act No. 103, 1976

section (6) and when Parliament is not in session the Minister of Finance may from time to time by notice in the *Gazette* amend the provisions of such Act so as to effect a variation or further variation of the said rates—

- (a) by increasing or reducing the rate at which any loan portion of the normal tax is payable in terms of the said Act; or
- (b) where no loan portion of the normal tax is in terms of the said Act payable by taxpayers of any category, by imposing a charge in respect of the normal tax payable by such taxpayers which shall be a loan portion of such tax and be payable in addition to the tax chargeable under the said Act:

Provided that the rates fixed under the said Act shall not be varied under this subsection so as to impose upon any taxpayer, in addition to the tax payable by him under the said Act, any charge or charges to tax in excess of ten per cent of the basic tax payable by him under that Act.

(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 and before the deduction of any rebate provided for in that Act.

(5) Any amendment made in terms of subsection (3)—

- (a) may be made so as to apply only to persons other than companies or only to companies or both to such persons and to companies, and may differentiate between such persons and companies; or
- (b) may, subject to the provisions of the proviso to subsection (3), be made so as to provide that the loan portion of the normal tax payable by companies shall be calculated at rates which differ according to the various categories of taxable income in respect of which rates of normal tax have been enacted in the Act referred to in subsection (3).

(6) Any amendment made under subsection (3) which is in force immediately before the date of promulgation of the Act of Parliament fixing rates of normal tax for years of assessment succeeding the years of assessment referred to in subsection (3), shall, unless Parliament otherwise provides, lapse on that date, and in such case it shall as from that date cease to have the force of law.

(7) Subject to the provisions of sections 79 and 102 and the provisions of the Fourth Schedule, where a taxpayer has been assessed for normal tax in respect of any year of assessment and the rate of the tax payable by him has been subsequently fixed or varied, his assessment for such year shall be adjusted, any amounts paid in excess being refundable to him and amounts shortpaid being recoverable from him.”; and

INCOME TAX ACT, 1976

Act No. 103, 1976

(d) by the substitution for paragraph (b) of subsection (10) of the following paragraph:

“(b) ‘A’ represents the amount of normal tax calculated at the full rate of tax chargeable for the said year in respect of a taxable amount equal to the amount represented by the expression ‘(B — C) — D’ in the formula;”

6. Section 5A of the principal Act is hereby amended by the substitution for paragraph (g) of subsection (3) of the following paragraph:

“(g) 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 seven hundred rand, if the period assessed is twelve months, or, where the period assessed is less than twelve months, an amount which bears to seven hundred rand the same ratio as the period assessed bears to twelve months.”

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

7. (1) Section 7A of the principal Act is hereby amended by the substitution for subsection (3) of the following subsection:

“(3) Where any member of the citizen force or of the commandos has bound himself to serve in such force or the commandos for a continuous period of service of at least eighteen months as contemplated in section 22 (6A) or 44 (5A) of the Defence Act, 1957 (Act No. 44 of 1957), the provisions of subsection (2) shall *mutatis mutandis* apply in respect of any gratuity which has become payable to him by the State upon and by reason of the completion of such period of service, as though such gratuity were antedated salary or pension granted permanently and with retrospective effect, in respect of the said period of service.”

Amendment of section 7A of Act 58 of 1962, as inserted by section 6 of Act 69 of 1975.

(2) The provisions of subsections (1) and (2) of the said section 7A, and subsection (3) thereof as substituted by subsection (1) of this section, shall, for the purposes of assessments under the principal Act, be deemed to have taken effect from the commencement of the year of assessment ended 28 February 1975.

8. Section 9 of the principal Act is hereby amended by the substitution for subsection (2) of the following subsection:

“(2) Any interest which has been received by or has accrued to any person (other than a company) who is ordinarily resident in the Republic or has been received by or has accrued to any domestic company, in respect of any loan to or deposit in any building society registered under the Building Societies Act, 1965 (Act No. 24 of 1965), or any dividend or share of profits distributed by any such society which has been received by or has accrued to any such person or company, shall be deemed to have been derived from a source within the Republic, wheresoever such loan or deposit is made or held or any share to which such dividend or share of profits relates is subscribed for or held or such interest, dividend or share of profits is payable.”

Amendment of section 9 of Act 58 of 1962, as amended by section 7 of Act 90 of 1962, section 6 of Act 72 of 1963, section 7 of Act 90 of 1964, section 9 of Act 95 of 1967, section 12 of Act 89 of 1969, section 6 of Act 65 of 1973 and section 9 of Act 85 of 1974.

9. Section 10 of the principal Act is hereby amended—

(a) by the substitution for paragraph (h) of subsection (1) of the following paragraph:

“(h) interest received by or accrued to—

(i) any person (other than a company) not ordinarily resident nor carrying on business in the Republic; or

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,

INCOME TAX ACT, 1976

Act No. 103, 1976

- (ii) an external company not carrying on business in the Republic,
 from stock or securities (including Treasury Bills) issued by the Government or any colony included in the Republic, or any local authority within the Republic or the Electricity Supply Commission or the South African Broadcasting Corporation: Provided that, if in the case of any such stock or securities issued in respect of a loan raised in a country outside the Republic, the Treasury has, with the approval of the Minister of Finance, given an undertaking that the interest derived therefrom by any person not ordinarily resident in the Republic or by any external company shall be exempt from taxes in the Republic, the interest received by or accrued to such a person or company from such of the said stock or securities as were acquired by such person or company outside the Republic and paid for by such person or company in the currency of any country other than the Republic shall be exempt from normal tax even if that person or company carries on business in the Republic;”
- 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 9 of Act 88 of 1971, section 7 of Act 90 of 1972, section 7 of Act 65 of 1973, section 10 of Act 85 of 1974 and section 8 of Act 69 of 1975.
- (b) by the substitution for subparagraph (ii) of paragraph (i) of the said subsection of the following subparagraph:
- “(ii) so much of the interest on Post Office Savings Bank Certificates held by any one person as does not exceed the sum of eight hundred rand;”
- (c) by the substitution for item (bb) of subparagraph (v) of paragraph (k) of the said subsection of the following item:
- “(bb) by a donation if, at the date of the donation the donor was a person (other than a company) not ordinarily resident in the Republic;”
- (d) by the insertion after the said item (bb) of the following item:
- “(bbA) by inheritance from a person who on the date of his death was not ordinarily resident in the Republic;”
- (e) by the insertion after paragraph (m) of the said subsection of the following paragraph:
- “(mA) the remuneration, allowances, bonuses and other benefits received by or accrued to any member of the citizen force or of the commandos from the State in respect of his first period of compulsory military service under section 22 (3) (a) or 44 (3) of the Defence Act, 1957 (Act No. 44 of 1957), or any voluntary extension of such period without a break in service: Provided that the exemption conferred by this paragraph shall not apply in respect of any gratuity referred to in section 7A (3) of this Act;” and
- (f) by the substitution for paragraph (n) of the said subsection of the following paragraph:
- “(n) any amount received by or accrued to any member of the defence forces of the Republic, whether in cash or otherwise, as an allowance for any uniform, ration or lodging;”

INCOME TAX ACT, 1976

Act No. 103, 1976

10. (1) Section 11*bis* of the principal Act is hereby amended—
- (a) by the substitution in subsection (1) for the definition of “export country” of the following definition:
- “‘export country’ means any country other than the Republic, the territory (including the Eastern Caprivi Zipfel), Botswana, Lesotho, Swaziland and any country which formerly formed part of the Republic;”
- (b) by the substitution for paragraph (g) of subsection (4) of the following paragraph:
- “(g) by way of premiums under an insurance policy issued by the Credit Guarantee Insurance Corporation of Africa Limited, whereby insurance is effected against commercial risks which accompany the giving of credit to any importer in an export country in the course of an export trade, or against political risks attendant upon such trade;” and
- (c) by the substitution for subsection (4A) of the following subsection:
- “(4A) Where it is proved to the satisfaction of the Secretary that any expenditure of the nature referred to in subsection (4) has been incurred in connection with the export of pastoral, agricultural or other farming produce and that such expenditure was incurred or controlled by the South African Sugar Association, or a marketing committee appointed by the Wattle Bark Industry Board under section 2 (2) (f) of the Wattle Bark Industry Act, 1960 (Act No. 23 of 1960), or any control board established under the Marketing Act, 1968 (Act No. 59 of 1968), or any co-operative agricultural society or company or farmers’ special co-operative company as defined in the Co-operative Societies Act, 1939 (Act No. 29 of 1939), or the South African Wool Board established under the Wool Act, 1946 (Act No. 19 of 1946), so much of such expenditure as the Secretary is satisfied was in effect borne by any producer of any pastoral, agricultural or other farming produce exported by the said Association or by any such committee, board, society or company or by some other person under marketing arrangements controlled by the said Association or by such committee, board, society or company, shall for the purposes of this section be deemed to be marketing expenditure incurred by such producer, provided such expenditure, had it been incurred directly by such producer, would have ranked for deduction from his income under section 11 or 17.”
- (2) The amendment effected by subsection (1) (c) 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 1976.

11. (1) Section 11*sept* of the principal Act is hereby amended—
- (a) by the substitution for subsection (1) of the following subsection:
- “(1) For the purposes of this section—
- ‘training premises’ means any building or other premises used wholly or mainly for the purposes of any training centre or scheme;
- ‘training centre or scheme’ means a centre or scheme for the training of Bantu workers which is established, approved or recognized under the Bantu

Amendment of section 11*bis* of Act 58 of 1962, as inserted by section 10 of Act 90 of 1962 and amended by section 9 of Act 72 of 1963, section 13 of Act 55 of 1966, section 12 of Act 95 of 1967, section 10 of Act 76 of 1968, section 11 of Act 52 of 1970, section 9 of Act 90 of 1972, section 10 of Act 65 of 1973, section 13 of Act 85 of 1974 and section 10 of Act 69 of 1975.

Amendment of section 11*sept* of Act 58 of 1962, as inserted by section 14 of Act 85 of 1974.

INCOME TAX ACT, 1976

Act No. 103, 1976

Employees' In-Service Training Act, 1976, or is deemed to have been established, approved or recognized under a provision of that Act, provided—

- (a) the training provided in such centre or under such scheme has been approved by the Secretary for Bantu Education for the purposes of this section; and
 - (b) such centre or scheme has not, as it concerns the taxpayer, ceased to be a training centre or scheme, as contemplated in subsection (2).";
- (b) by the substitution for subsection (2) of the following subsection:

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

- (c) by the substitution in paragraphs (a) to (e), inclusive, of subsection (5) for the words "training scheme", wherever they occur, of the words "training centre or scheme";
- (d) by the substitution for paragraph (f) of subsection (5) of the following paragraph:

"(f) travelling expenses incurred in the operation of a training centre or scheme;"

- (e) by the substitution for paragraph (g) of subsection (5) of the following paragraph:

"(g) fees paid in respect of the training of Bantu trainees at or under a training centre or scheme not operated by the taxpayer or the tuition of instructors employed for the purposes of a training centre or scheme;" and

- (f) by the substitution for paragraph (h) of subsection (5) of the following paragraph:

"(h) expenditure of any other nature directly incurred in the operation of a training centre or scheme.".

(2) The amendments effected by subsection (1) shall, for the purposes of assessments under the principal Act, be deemed to have taken effect from the commencement of years of assessment ended or ending on or after the date of commencement of the Bantu Employees' In-Service Training Act, 1976.

INCOME TAX ACT, 1976

Act No. 103, 1976

12. Section 14 of the principal Act is hereby amended—
- (a) by the substitution in paragraph (b) of subsection (1) for the words “of that of that” of the words “of that”;
- (b) by the substitution in paragraph (ii) of the proviso to paragraph (a) of the said subsection for the expression “subsection (2) (a)” of the words “the definition of ‘adjustable cost’ or ‘adjustable cost price’ in subsection (2)”;
- (c) by the substitution in paragraph (iii) of the proviso to paragraph (b) of the said subsection for the expression “subsection (2) (a)” of the words “the definition of ‘adjustable cost’ or ‘adjustable cost price’ in subsection (2)”.
13. Section 17A of the principal Act is hereby amended by the substitution in subsection (1) for the expression “1946 (Act No. 45 of 1946)” of the expression “1969 (Act No. 76 of 1969)”.
14. (1) Section 21*ter* of the principal Act is hereby amended—
- (a) by the insertion in subsection (1) after the definition of “extension” of the following definition:
“‘industrialist’ means a person who carries on an industrial undertaking;”;
- (b) by the substitution in the said subsection for the definition of “industrial profit” of the following definition:
“‘industrial profit’ means the amount (as established to the satisfaction of the Secretary) at which the industrialist’s taxable income for the relevant year of assessment (before the deduction of the development allowance or the supplementary allowance) would have been determined if during such year and any preceding years of assessment in respect of which the Minister has authorized the development allowance, he had derived no income other than his income from the industrial undertaking in question;”;
- (c) by the substitution in subsection (2) for the words preceding paragraph (a) of the following words:
“(2) Where any industrialist—”;
- (d) by the insertion after subsection (3) of the following subsections:
“(3A) Where it is shown to the satisfaction of the Minister that an industrialist on or after 1 March 1961 and on or before 1 January 1973—
(a) established or commenced to carry on in an economic development area a new industrial undertaking which has not been discontinued; or
(b) brought into use in an economic development area for the purposes of an existing industrial undertaking carried on by him in such area which has not been discontinued, any extension to such undertaking,
and that the industrialist has not enjoyed a saving in normal tax which, having regard to the nature of the industrial undertaking and the position of the industrialist *vis-à-vis* other persons who qualified for the development allowance after 1 January 1973, he should have enjoyed, there shall, if the Minister, having regard to the circumstances of the case, so directs, but subject to such conditions as the Minister may see fit to impose, be deducted from the income derived by the industrialist during a year of assessment indicated by the

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

Amendment of section 17A of Act 58 of 1962, as inserted by section 11 of Act 76 of 1969.

Amendment of section 21*ter* of Act 58 of 1962, as inserted by section 20 of Act 89 of 1969 and amended by section 17 of Act 52 of 1970, section 18 of Act 88 of 1971, section 17 of Act 90 of 1972, section 16 of Act 65 of 1973, section 21 of Act 85 of 1974 and section 19 of Act 69 of 1975.

INCOME TAX ACT, 1976

Act No. 103, 1976

Minister, an allowance (to be known as the supplementary allowance) of an amount to be determined in such manner as the Minister may determine but not exceeding the greater of—

- (i) an amount equal to the industrial profit of the industrialist for such year; or
- (ii) if the Minister has directed that the supplementary allowances which may be made to the industrialist in respect of one or more years of assessment shall in total be limited so as to provide the industrialist with a total saving in normal tax of a sum specified by the Minister, an amount sufficient to provide the industrialist with a saving in normal tax for the year of assessment in question equal to the said sum divided by the number of years of assessment in respect of which the Minister has directed that the allowance may be granted to the industrialist in respect of the industrial undertaking in question, or, where the said number of years of assessment has been increased by direction of the Minister, by such number of years as the Minister may direct.

(3B) Where, by reason of the fact that the full anticipated tax benefit of a development allowance authorized under this section for any year of assessment has not been enjoyed by an industrialist or, where an industrialist is a company, by the industrialist and the industrialist's parent company referred to in subsection (7), the Secretary for Industries has made a cash grant to the industrialist in lieu of such allowance or a portion thereof, such cash grant shall be exempt from normal tax in the hands of the industrialist, and any sum specified by the Minister as the saving in normal tax which the industrialist may enjoy in consequence of the granting of such allowance shall for the purposes of this section be deemed to have been enjoyed by the industrialist to the extent of the amount of such cash grant.”;

- (e) by the substitution in subsection (4) for the expression “(2) or (3)” of the expression “(2), (3) or (3A)” and the insertion in the said subsection after the words “development allowance” of the words “or the supplementary allowance”;
- (f) by the insertion in paragraph (a) of subsection (5) after the word “allowance” of the words “or the supplementary allowance”;
- (g) by the insertion in paragraph (c) of subsection (5) after the words “development allowance” of the words “or the supplementary allowance”;
- (h) by the substitution in subsection (6) for the expression “(2) or (3)” of the expression “(2), (3) or (3A)”;
- (i) by the substitution for subsection (7) of the following subsection:

“(7) Where the Minister has directed that the development allowance or the supplementary allowance be made to an industrialist in respect of an industrial undertaking and the industrialist is a company all the issued share capital of which was, during a year of assessment in respect of which the said allowance may be made, held by one other company (hereinafter referred to as the parent company), but, by reason of the circumstances of the case, the said allowance either

INCOME TAX ACT, 1976

Act No. 103, 1976

may not be granted to the industrialist for such year or, if such allowance is granted for such year, the amount thereof is less than the amount referred to in subsection (2) (bb) or the amount referred to in subsection (3A) (ii), as the case may be, as determined in relation to the said undertaking, there shall be allowed as a deduction from the income of the parent company for the same year of assessment a development allowance or a supplementary allowance, as the case may be, in respect of the said industrial undertaking equal to such sum as the parent company may claim but not exceeding the difference between the amount referred to in subsection (2) (bb) or the amount referred to in subsection (3A) (ii), as the case may be, as determined in relation to the said undertaking, and the actual amount allowed in respect of the said undertaking to the industrialist by way of the development allowance or the supplementary allowance, as the case may be, for that year: Provided that the sum of the development allowances or the supplementary allowances made to the industrialist and the parent company in respect of the relevant year or years of assessment for which the development allowance may be made in terms of subsection (3) or the relevant year or years of assessment for which the supplementary allowance may be made in terms of subsection (3A), as the case may be, shall be limited to an amount sufficient to provide the industrialist and the parent company with a total saving in normal tax of the relevant sum referred to in subsection (2) (bb) or subsection (3A) (ii), as applicable to the said undertaking.”; and

(j) by the addition of the following subsection:

“(8) Where by a direction of the Minister the development allowance or the supplementary allowance has been authorized to be granted to a company (hereinafter referred to as the operating company) which carries on an industrial undertaking in a Bantu development area which has subsequently become part of the territory of a country which has been granted its independence by the Republic, and all the share capital of the operating company has at all relevant times been held by one other company (hereinafter referred to as the parent company) which is a domestic company, the provisions of subsection (7) shall, subject to any conditions the Minister may impose, continue to apply in relation to the parent company, notwithstanding the fact that the said allowance can no longer be granted to the operating company, but in such case any similar allowance in respect of the said undertaking granted to the operating company under an income tax law of the said country, shall be treated as a development allowance or supplementary allowance, as the case may be, granted under this section by the said direction.”.

(2) The amendments effected by subsection (1) shall, for the purposes of assessments under the principal Act, be deemed to have taken effect from the commencement of years of assessment ended or ending on or after 1 April 1976.

INCOME TAX ACT, 1976

Act No. 103, 1976

15. Section 22 of the principal Act is hereby amended by the substitution for subsection (5) of the following subsection:

Amendment of section 22 of Act 58 of 1962, as amended by section 8 of Act 6 of 1963, section 14 of Act 90 of 1964, section 21 of Act 89 of 1969 and section 20 of Act 69 of 1975.

“(5) (a) If, for the purpose of determining the cost price of any trading stock, any person wishes to adopt the basis of trading stock valuation whereunder the last item of any class of trading stock acquired by him on any date is deemed to be the first item of that class of trading stock disposed of by him on or after that date, and such person satisfies the Secretary that he will maintain records in respect of his trading stock which will be adequate for the purposes of applying the said basis and that his trading stock will be accounted for on the said basis in his records, any annual financial statements prepared for submission to shareholders or for proprietors and the financial statements furnished for income tax purposes, the said person may, with the written consent of the Secretary, obtained before such person renders his return of income for the first year of assessment in respect of which the said basis of trading stock valuation is to be adopted, and subject to such conditions as the Secretary, having regard to the circumstances of the case, may determine adopt the said basis of trading stock valuation.

(b) Where the aforesaid basis of trading stock valuation has been adopted by any person in respect of any year of assessment as contemplated in this subsection, such basis and any conditions determined by the Secretary under this subsection in relation to the adoption of the said basis shall be binding upon such person in respect of the said year of assessment and all subsequent years of assessment and may not be varied by him save with the consent of the Secretary and subject to such conditions as the Secretary, having regard to the circumstances of the case, may determine, which conditions shall be binding upon such person for the year of assessment in respect of which the variation is made and all subsequent years of assessment.

(c) Any conditions determined by the Secretary under this subsection may include any condition as to the manner in which the person concerned shall account for his trading stock, whether or not such condition may in some circumstances have the effect of deferring or accelerating liability for taxation.”

16. Section 28 of the principal Act is hereby amended by the substitution in the Afrikaans text of paragraph (b) of subsection (1) for the words “kapitaal aan gewone aandele”, in both places where they occur, of the word “ekwiteitsaandelekapitaal”.

Amendment of section 28 of Act 58 of 1962, as amended by section 17 of Act 90 of 1962, section 22 of Act 55 of 1966, section 24 of Act 89 of 1969, section 21 of Act 88 of 1971 and section 19 of Act 65 of 1973.

17. Section 41 of the principal Act is hereby amended by the substitution for the words “Consolidated Revenue Fund” of the words “State Revenue Fund”.

Amendment of section 41 of Act 58 of 1962.

INCOME TAX ACT, 1976

Act No. 103, 1976

18. (1) Section 42 of the principal Act is hereby amended—
- (a) by the substitution for paragraph (iii) of subsection (1) of the following paragraph:
“(iii) a company which is not a South African company; or”;
- (b) by the substitution for paragraph (iiiA) of the said subsection of the following paragraph:
“(iiiA) a company managed and controlled in the territory; or”.
- (2) The amendments effected by subsection (1) shall be deemed to have taken effect on 31 March 1976 and shall apply in respect of dividends declared on or after that date.
19. (1) Section 48 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection:
“(1) Subject to the provisions of section 50 there shall be paid for the benefit of the State Revenue Fund—
- (a) in respect of the year of assessment ended the thirtieth day of June, 1962; and each succeeding year of assessment thereafter (including any period which is a financial year of the company concerned), by every private company which is a South African company or is carrying on business in the Republic; and
- (b) in respect of each year of assessment (including any period which is a financial year of the company concerned) ended or ending on or after the first day of April, 1969; by every public company which is a South African company or is carrying on business in the Republic,
- a tax (in this Act referred to as undistributed profits tax) calculated on the amount (hereinafter referred to as the distributable balance) by which the distributable income of such company exceeds the amount of the dividends distributed by it during the specified period, at the rate of—
- (i) twenty-five per cent of such distributable balance where such balance is determined in relation to any year of assessment ended on or before 31 March 1976; or
- (ii) thirty-three and one-third per cent of such distributable balance where such balance is determined in relation to any year of assessment ended or ending on or after 1 April 1976.”
- (2) The amendment effected by subsection (1) shall for the purposes of assessments in respect of undistributed profits tax under the principal Act be deemed to have taken effect on 1 April 1976.
20. Section 54 of the principal Act is hereby amended by the substitution for the words “Consolidated Revenue Fund” of the words “State Revenue Fund”.
21. Section 64A of the principal Act is hereby amended by the substitution for the words “Consolidated Revenue Fund” of the words “State Revenue Fund”.

Amendment of section 42 of Act 58 of 1962, as amended by section 21 of Act 88 of 1965, section 17 of Act 95 of 1967, section 29 of Act 89 of 1969, section 19 of Act 52 of 1970, section 23 of Act 88 of 1971, section 18 of Act 90 of 1972, section 22 of Act 65 of 1973, section 32 of Act 85 of 1974 and section 22 of Act 69 of 1975.

Amendment of section 48 of Act 58 of 1962, as substituted by section 30 of Act 89 of 1969 and amended by section 23 of Act 65 of 1973 and section 33 of Act 85 of 1974.

Amendment of section 54 of Act 58 of 1962, as amended by section 37 of Act 85 of 1974.

Amendment of section 64A of Act 58 of 1962, as inserted by section 20 of Act 95 of 1967 and substituted by section 34 of Act 89 of 1969 and amended by section 40 of Act 85 of 1974.

INCOME TAX ACT, 1976

Act No. 103, 1976

22. Section 83 of the principal Act is hereby amended by the substitution for subsection (18) of the following subsection:

Amendment of section 83 of Act 58 of 1962, as amended by section 21 of Act 90 of 1964.

“(18) Any decision of the court under this section shall, subject to the provisions of sections 86 and 86A, be final.”

23. Section 86 of the principal Act is hereby amended by the addition of the following subsection:

Amendment of section 86 of Act 58 of 1962.

“(6) The provisions of this section shall not apply where a right of appeal against a decision of the special court is conferred upon the appellant or the Secretary under the provisions of section 86A.”

24. (1) The following section is hereby inserted in the principal Act after section 86:

Insertion of section 86A in Act 58 of 1962.

86A. (1) The appellant in a special court or the Secretary may in the manner hereinafter provided appeal under this section against any decision of that court in any case in which judgment is delivered on or after the date of commencement of section 24 of the Income Tax Act, 1976.

(2) Such appeal shall lie—

(a) to the provincial division of the Supreme Court having jurisdiction in the area in which the sitting of the special court was held; or

(b) where the President of the special court has granted leave under subsection (5), to the Appellate Division of the Supreme Court, without any intermediate appeal to such provincial division.

(3) Any party who in terms of subsection (1) has a right to appeal against a decision of a special court and intends to lodge an appeal against such decision under this section shall, within twenty-one business days after the date of the notice issued by the registrar of the special court notifying such decision or within such further period as the President of that court may on good cause shown allow, lodge with the said registrar and the opposite party or his attorney or agent a notice of his intention to appeal against such decision.

(4) Any such notice of an intention to appeal shall state—

(a) in which division of the Supreme Court the intending appellant wishes the appeal to be heard;

(b) if the intending appellant wishes the appeal to be heard by the Appellate Division of the Supreme Court, whether the whole or part only of the judgment is to be appealed against and if part only what part, and the contemplated grounds of the intended appeal, indicating the findings of fact or rulings of law to be appealed against; and

(c) whether, for the purposes of preparing the record on appeal, a transcript is required of the evidence given at the hearing of the case by the special court or, if only a part of such evidence is required, what part is required.

INCOME TAX ACT, 1976

Act No. 103, 1976

(5) If an intending appellant wishes his appeal against a decision of the special court to be heard by the Appellate Division of the Supreme Court, the registrar of the special court shall submit the notice or notices of intention to appeal lodged under subsection (3) to the President of the special court who shall, having regard to the contemplated grounds of the intended appeal or appeals as indicated in the said notice or notices, make an order granting or refusing, as he sees fit, leave to appeal against such decision to the said Division, and the order so made shall be final.

(6) If the person nominated as President of the special court cannot act in that capacity for the purposes of this section by reason of his having ceased to be a judge or acting judge or if such person has died or if it is inconvenient for such person to act in the said capacity by reason of his absence or illness or for some other reason, the Judge President of the provincial division of the Supreme Court having jurisdiction in the area for which the special court has been constituted may nominate and second another judge or acting judge to act as President of the special court for the purposes of this section in the place of the said person.

(7) (a) Where in any case leave to appeal to the Appellate Division of the Supreme Court has been granted under subsection (5), any appeal which any party is entitled to note against any decision given in that case shall, unless the parties otherwise agree, be noted to the said Division.

(b) Where such leave has been refused, the party by whom the notice of intention to appeal was lodged, may, subject to the provisions of this section, note an appeal to the appropriate provincial division of the Supreme Court.

(8) Any person who was entitled under this section to appeal against a decision of the special court but has not within the time allowed by subsection (3) lodged a notice of his intention to appeal against such decision as required by that subsection, shall be deemed to have abandoned his right of appeal against such decision: Provided that he shall be entitled as the respondent in an appeal noted by the opposite party in the same case, to note in the manner hereinafter provided a cross-appeal in that case.

(9) Any person who has in terms of subsection (3) lodged a notice of his intention to appeal against a decision of the special court but has subsequently withdrawn such notice shall be deemed to have abandoned his right to note any appeal or cross-appeal against such decision.

(10) (a) After the expiry of the time allowed under subsection (3) for the lodging of a notice of intention to appeal against a decision of the special court the registrar of that court shall—

(i) give notice to any person who has lodged a notice of intention in terms of the said subsection and has not withdrawn such

INCOME TAX ACT, 1976

Act No. 103, 1976

- notice, that if it is decided to appeal the appeal should be noted within twenty-one business days after the date of the registrar's notice;
- (ii) supply to such person a certified copy of any order made by the President of the special court under subsection (5) in relation to the intended appeal against the said decision; and
- (iii) where the opposite party is not also an intending appellant in the same case, supply to the opposite party a copy of the notice given under subparagraph (i) and a copy of any order referred to in subparagraph (ii).
- (b) Where it appears that an order will be made by the President of the special court under subsection (5) or where an intending appellant requires a transcript of evidence given at the hearing of the case by the special court to enable him to prepare the record on appeal, the registrar of that court shall not give notice under paragraph (a) (i) until such order has been made and such transcript has been completed.
- (11) Any appeal under this section against a decision of a special court shall be noted by lodging a written notice of such appeal with the registrar of the special court, the opposite party or his attorney and the registrar of the appeal court.
- (12) Such notice of appeal shall be lodged within the period referred to in subsection (10) (a) (i) or within such longer period as may be allowed under the rules of the appeal court.
- (13) Any cross-appeal against a decision of the special court in any case in which an appeal has been lodged under this section shall be noted by lodging a written notice of such cross-appeal with the registrar of the special court, the opposite party or his attorney and the registrar of the appeal court.
- (14) Such notice of cross-appeal shall be lodged within twenty-one business days after the date of the noting of the appeal or within such longer period as may be allowed under the rules of the appeal court.
- (15) A notice of appeal or cross-appeal lodged under this section shall state—
- (a) whether the whole or part only of the judgment is appealed against, and if part only, then what part;
- (b) the grounds of appeal or cross-appeal specifying the findings of fact or rulings of law appealed against; and
- (c) any further particulars that may be required under the rules of the appeal court.
- (16) (a) A party may, by notice in writing lodged with the opposite party or his attorney or agent and the registrar of the special court, abandon the whole or any part of a judgment of that court in his favour.
- (b) Such notice of abandonment shall become part of the record.

INCOME TAX ACT, 1976

Act No. 103, 1976

(17) The record lodged with an appeal court in an appeal against a decision of a special court shall include any documents placed before the special court in terms of the regulations: Provided that merely formal documents and, if the parties consent, such other documents as do not relate to the matters in dispute in the appeal, may be excluded from the record.

(18) Any application or notice which may in terms of this section be lodged with the registrar of the special court shall be delivered to the registrar or an assistant registrar of that court personally during office hours or shall be despatched to the registrar by registered post at his official address in Pretoria.

(19) Service of any notice which the registrar of the special court is required to give to any person under this section or of any notice which any party may under this section lodge with an opposite party or his attorney or agent shall be effected by the registrar or the party lodging the notice, as the case may be, or by some person acting on the instructions of the registrar or such party, in the manner prescribed by law for the service of process of the Supreme Court, or by despatching such notice to the person to whom it is addressed by registered post addressed to such person's residential or business address.

(20) For the purposes of this section—

- (a) any application or notice duly despatched by registered post as contemplated in subsection (18) or (19) shall be deemed to have been given or lodged at the time of posting;
- (b) any notice served by or on behalf of the Secretary or the registrar of the special court upon the public officer of a company in his capacity as such shall be deemed to have been served upon the company;
- (c) 'business day' means any day which is not a Saturday, Sunday or public holiday."

(2) This section shall take effect on a date to be fixed by the State President by proclamation in the *Gazette*.

25. Section 88 of the principal Act is hereby amended by the substitution for the expression "86" of the expression "86 or 86A".

Amendment of section 88 of Act 58 of 1962, as substituted by section 44 of Act 85 of 1974.

26. Section 106 of the principal Act is hereby amended—

(a) by the substitution in subsection (2) for the words preceding paragraph (a) of the following words:

Amendment of section 106 of Act 58 of 1962, as substituted by section 29 of Act 69 of 1975.

"(2) Any form, notice, demand, document or other communication required or authorized under this Act to be issued, given or sent to or served upon any person by the Secretary or any other officer under this Act shall, except as otherwise provided in this Act, be deemed to have been effectually issued, given, sent or served —"; and

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

"(3) Any form, notice, demand, document or other communication referred to in subsection (2)

INCOME TAX ACT, 1976

Act No. 103, 1976

which has been issued, given, sent or served in the manner contemplated in paragraph (c) or (d) (iii) of that subsection shall be deemed to have been received by the person to whom it was addressed at the time when it would, in the ordinary course of post, have arrived at the place to which it was addressed, unless the Secretary is satisfied that it was not so received or was received at some other time or, where the time at which it was received or the fact that it was received is in dispute in proceedings under this Act in any court having jurisdiction to decide the matter, the court is so satisfied: Provided that the preceding provisions of this subsection shall not apply where any person is in criminal proceedings charged with the commission of an offence under this Act by reason of his failure, refusal or neglect to do anything which he is required to do in terms of the said form, notice, demand, document or other communication, unless it was despatched to such person by registered or certified post."

27. Section 110bis of the principal Act is hereby amended by the substitution in paragraph (g) of subsection (3) for the words "Consolidated Revenue Fund" of the words "State Revenue Fund".

Amendment of section 110bis of Act 58 of 1962, as inserted by section 18 of Act 6 of 1963 and amended by section 14 of Act 72 of 1963 and section 29 of Act 88 of 1971.

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

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

"(1) The value to be placed upon livestock for the purposes of this Schedule shall, subject to the provisions of subparagraph (1) of paragraph 4 and the provisions of subparagraph (2) of this paragraph—

(a) in respect of purchased breeding stock, as defined in subparagraph (1A), be the purchase price incurred by the farmer in respect of such stock, less an amount not exceeding such purchase price calculated for each year of assessment during which the stock in question has been held and has not been disposed of by the farmer, at the rate of twenty-five per cent of such purchase price for each such year of assessment; and

(b) in respect of livestock other than livestock referred to in item (a), be the standard value applicable to the livestock.";

(b) by the insertion after subparagraph (1) of the following subparagraph:

"(1A) For the purposes of subparagraph (1) 'purchased breeding stock' means livestock purchased by a farmer for breeding purposes—

(a) prior to the first day of the year of assessment ending on 28 February 1977 at a purchase price which—

(i) in the case of a bull or bull-calf exceeds R400;

(ii) in the case of a cow or heifer exceeds R200;

(iii) in the case of a stallion or colt exceeds R400;

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 and section 30 of Act 88 of 1971.

INCOME TAX ACT, 1976

Act No. 103, 1976

- (iv) in the case of a mare or filly exceeds R200;
 - (v) in the case of a ram or he-goat exceeds R150;
 - (vi) in the case of a ewe or she-goat exceeds R75;
 - (vii) in the case of a pig exceeds R50; or
 - (viii) in the case of any other animal exceeds R100; or
- (b) on or after the first day of the said year of assessment at a purchase price which—
- (i) in the case of a bull or bull-calf exceeds R600;
 - (ii) in the case of a cow or heifer exceeds R300;
 - (iii) in the case of a stallion or colt exceeds R600;
 - (iv) in the case of a mare or filly exceeds R300;
 - (v) in the case of a ram or he-goat exceeds R225;
 - (vi) in the case of a ewe or she-goat exceeds R115;
 - (vii) in the case of a pig exceeds R75; or
 - (viii) in the case of any other animal exceeds R150.”;
- (c) by the substitution for subparagraph (2) of the following subparagraph:
- “(2) The value to be placed on livestock held and not disposed of by any farmer (other than a company) at the end of the period of assessment terminating at the date of the sequestration of his estate under the law relating to insolvency, or by a company in liquidation, at the end of the final period of assessment in respect of which such value has to be accounted for under this Schedule, shall be the current market price of the livestock.”; and
- (d) by the deletion of subparagraph (3).

29. The following paragraph is hereby substituted for paragraph 6 of the First Schedule to the principal Act:

Substitution of paragraph 6 of 1st Schedule to Act 58 of 1962.

- “6. (1) The standard value applicable to any class of livestock shall be—
- (a) in the case of any farmer (other than a company or the estate of a deceased person) who on or after the first day of July, 1955, and before the first day of July, 1962, rendered returns of income in respect of farming operations, the standard value which in relation to such farmer applied to that class of livestock in accordance with the provisions of paragraph 13 of the Third Schedule to the Income Tax Act, 1941;
 - (b) in the case of any other farmer (other than a company or the estate of a deceased person) or in the case of any farmer (other than a company or the estate of a deceased person) who on or after 1 July 1962 includes that class of livestock in his return of income for the first time, either—
 - (i) such standard value as may be fixed for that class of livestock by regulation made under this Act; or

INCOME TAX ACT, 1976

Act No. 103, 1976

- (ii) such other standard value as the farmer may, subject to the provisions of subparagraphs (2) and (3), adopt for that class of livestock when rendering his first return of income on or after the said date in respect of farming operations, or when so including in any return of income such a class of livestock for the first time;
- (c) in the case of any company or estate of a deceased person the return of income of which in respect of farming operations for the first year of assessment of that company or estate ending on or after 1 January 1977 includes that class of livestock, either—
- (i) such standard value as may be fixed for that class of livestock by regulation made under this Act; or
- (ii) such other standard value as such company or the executor of such estate, as the case may be, may, subject to the provisions of subparagraphs (2) and (3), adopt for that class of livestock when rendering the said return of income;
- (d) in the case of any company or estate of a deceased person the return of income of which in respect of farming operations for a year of assessment subsequent to the year of assessment referred to in item (c), includes that class of livestock for the first time, either—
- (i) such standard value as may be fixed for that class of livestock by regulation made under this Act; or
- (ii) such other standard value as such company or the executor of such estate, as the case may be, may subject to the provisions of subparagraphs (2) and (3), adopt for that class of livestock when rendering the said return of income.
- (2) No standard value adopted under subparagraph (1) (b) (ii), (1) (c) (ii) or (1) (d) (ii) in respect of any class of livestock shall be more than twenty per cent higher or lower than the standard value fixed by regulation under this Act in respect of livestock of that class.
- (3) Any farmer who classifies any kind of his livestock on a basis other than that applied by a regulation referred to in subparagraph (1) (b) (i), (1) (c) (i) or (1) (d) (i), may adopt in respect of any class into which he so classifies that livestock such a standard value as may be approved by the Secretary with due regard to the values fixed by regulation.”

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

- “(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;”

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 and section 32 of Act 69 of 1975.

INCOME TAX ACT, 1976

Act No. 100, 1976

31. (1) Paragraph 20 of the First Schedule to the principal Act is hereby amended—

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

“(a) that his income was in whole or in part derived from farming operations carried on on any land acquired—

(i) by the State (including the Railways Administration and any provincial administration) or any local authority as defined in section 1 of the Expropriation Act, 1975 (Act No. 63 of 1975); or

(ii) by any juristic person or body mentioned in section 3 (2) of the said Act, if such juristic person or body acquired the land by expropriation or, where the owner of the land agreed to dispose of it, the Minister referred to in subparagraph (6) (b) (ii) has given a certificate as contemplated therein;”;

(b) by the deletion in item (b) of the said subparagraph of the words “by the said Trust”;

(c) by the deletion in item (c) of the said subparagraph of the words “by the said Trust”; and

(d) by the substitution for item (b) of subparagraph (6) of the following item:

“(b) Any such application shall be submitted to the Secretary and shall be accompanied by—

(i) a certificate by the head of the department of State or the administration concerned in the acquisition by the State or such administration of the land referred to in item (a) of subparagraph (1), or where such land was acquired by a local authority, juristic person or body referred to in the said item, by the chief executive officer of such local authority, juristic person or body, to the effect that the State or such administration, local authority, juristic person or body, as the case may be, has acquired such land; and

(ii) where such land was acquired by such juristic person or body, a certificate by a Minister referred to in section 3 (1) of the Expropriation Act, 1975, to the effect that the land was acquired by such juristic person or body by expropriation or, where the owner of the land agreed to dispose of it, to the effect that, if the owner had not so agreed, steps would have been taken for the expropriation of the land.”.

(2) The amendments effected by subsection (1) shall, for the purposes of assessments under the principal Act, be deemed to have taken effect from the commencement of years of assessment ended or ending on or after 1 January 1976.

32. Paragraph 9 of the Fourth Schedule to the principal Act is hereby amended—

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

“(1) The Secretary may from time to time, having regard to the rates of normal tax as fixed by Parliament or foreshadowed by the Minister of Finance in his budget statement or as varied by the said Minister under section 5 (3) of this Act, to the abatements ap-

Amendment of paragraph 20 of 1st Schedule to Act 58 of 1962, as added by section 33 of Act 69 of 1975.

Amendment of paragraph 9 of 4th Schedule to Act 58 of 1962, as added by section 19 of Act 6 of 1963 and amended by section 39 of Act 88 of 1971.

INCOME TAX ACT, 1976

Act No. 103, 1976

plicable in terms of section 5A (2) and (3) (a) of this Act and to any other factors having a bearing upon the probable liability of taxpayers for normal tax, prescribe deduction tables applicable to such classes of employees as he may determine, and the manner in which such tables shall be applied, and the amount of employees' tax to be deducted from any amount of remuneration shall, subject to the provisions of subparagraph (3) of this paragraph and paragraphs 10, 11 and 12, be determined in accordance with such tables or where subparagraph (3) is applicable, in accordance with that subparagraph."; and

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

"(3) The amount to be deducted or withheld in respect of employees' tax from any lump sum to which paragraph (d) or (e) of the definition of 'gross income' in section 1 of this Act or section 7A thereof applies, shall be ascertained by the employer from the Secretary before paying out such lump sum, and the Secretary's determination of the amount to be so deducted or withheld shall be final."

33. Paragraph 17 of the Fourth Schedule to the principal Act is hereby amended by the substitution for subparagraphs (4) and (5) of the following subparagraphs:

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 and section 41 of Act 88 of 1971.

"(4) For the purposes of any calculation of normal tax under subparagraph (3) the rate at which such tax is to be calculated shall be the relevant rate which on the date of payment of the provisional tax in question is in force in respect of the year of assessment in respect of which such provisional tax is required to be paid under this Schedule, or if at the said date the rate has not been fixed, the relevant rate in respect of that year foreshadowed by the Minister of Finance in his budget statement, or if at that date the rate has not been fixed or so foreshadowed, the relevant rate which is in force in respect of the latest preceding year of assessment in respect of which rates have been fixed by Parliament.

(5) The Secretary may from time to time, having regard to the rates of normal tax as fixed by Parliament or foreshadowed by the Minister of Finance in his budget statement or as varied by the said Minister under section 5 (3) of this Act, to the abatements applicable in terms of section 5A (2) and (3) (a) of this Act and to any other factors having a bearing upon the probable liability of taxpayers for normal tax, prescribe tables for optional use by provisional taxpayers falling within any category specified by the Secretary, or by provisional taxpayers generally, for the purpose of estimating the liability of such taxpayers for normal tax, and the Secretary may prescribe the manner in which such tables shall be applied."

34. Paragraph 2 of the Fifth Schedule to the principal Act is hereby amended by the substitution for subparagraph (4) of the following subparagraph:

Amendment of paragraph 2 of 5th Schedule to Act 58 of 1962, as added by section 26 of Act 52 of 1970 and amended by

"(4) A natural person who is over the age of sixty years on the last day of any year of assessment shall not be liable for the payment of any loan portion in respect of such year

INCOME TAX ACT, 1976

Act No. 103, 1976

if his taxable income for that year does not exceed five thousand rand."

section 50 of Act 88 of 1971, section 24 of Act 90 of 1972 and section 58 of Act 85 of 1974.

35. (1) Paragraph 4 of the Fifth Schedule to the principal Act is hereby amended—

Amendment of paragraph 4 of 5th Schedule to Act 58 of 1962, as added by section 26 of Act 52 of 1970 and amended by section 25 of Act 90 of 1972 and section 59 of Act 85 of 1974.

- (a) by the deletion of subparagraph (1);
- (b) by the substitution for subparagraph (2) of the following subparagraph:

"(2) The amounts accruing from time to time under any law to the Transkeian Revenue Fund, the Rehoboth Revenue Fund or a Revenue Fund referred to in section 6 of the Bantu Homelands Constitution Act, 1971 (Act No. 21 of 1971), in respect of normal tax shall, notwithstanding the provisions of such law, be reduced by so much of such amounts as the Secretary determines to have been collected in respect of loan portions, whether by way of employees tax, provisional tax or otherwise."; and

- (c) by the deletion of subparagraph (3).

(2) The amendments effected by subsection (1) shall be deemed to have taken effect on 1 April 1976.

36. Section 35 of the Income Tax Act, 1974, is hereby amended, with effect from the commencement thereof, by the substitution in the Afrikaans text of subsection (2) for the expression "(1) (b)" of the expression "(1)".

Amendment of section 35 of Act 85 of 1974.

37. Section 59 of the Income Tax Ordinance, 1974, of South West Africa, is hereby amended by the substitution for subsection (15) of the following subsection:

Amendment of section 59 of Ordinance 5 of 1974 of South West Africa.

"(15) Any decision of the court under this section shall, subject to the provisions of sections 62 and 62A, be final."

38. Section 62 of the Income Tax Ordinance, 1974, of South West Africa, is hereby amended by the addition of the following subsection:

Amendment of section 62 of Ordinance 5 of 1974 of South West Africa.

"(6) The provisions of this section shall not apply where a right of appeal against a decision of the special court is conferred upon the appellant or the Secretary under the provisions of section 62A."

39. (1) The following section is hereby inserted in the Income Tax Ordinance, 1974, of South West Africa, after section 62:

Insertion of section 62A in Ordinance 5 of 1974 of South West Africa.

"Appeals against decisions of Special Court.

62A. (1) The appellant in the special court or the Secretary may, in the manner prescribed in section 86A of the Income Tax Act, 1962 (Act No. 58 of 1962), of the Republic of South Africa, appeal under this section against any decision of that court in any case in which judgment is delivered on or after the date of commencement of section 39 of the Income Tax Act, 1976, of the said Republic.

(2) Such appeal shall lie—

- (a) to the South West Africa Division of the Supreme Court of South Africa; or
- (b) with the written consent of the President of the special court, to the Appellate Division of the said Supreme Court, without any intermediate appeal to the South West Africa Division of that Court.

(3) The provisions of subsections (3) to (20), inclusive, of the said section 86A and any regulations under the first-mentioned Act which are

INCOME TAX ACT, 1976

Act No. 100, 1976

applicable in relation to the said section shall *mutatis mutandis* apply in relation to any appeal noted under this section.

(2) This section shall take effect on a date to be fixed by the State President by proclamation in the *Gazette*.

40. Section 64 of the Income Tax Ordinance, 1974, of South West Africa, is hereby amended by the substitution for the expression "62" of the expression "62 or 62A".
Amendment of section 64 of Ordinance 5 of 1974 of South West Africa, as substituted by section 10 of Ordinance 6 of 1975.

41. Save in so far as is otherwise provided therein or the context otherwise indicates, the amendments effected to the principal Act by this Act shall, for the purposes of assessments in respect of normal tax and undistributed profits tax under the principal Act, be deemed to have taken effect as from the commencement of years of assessment ending on or after 1 January 1977.
Commencement of certain amendments.

42. This Act shall apply also in the territory of South West Africa.
Application of Act in South West Africa.

43. This Act shall be called the Income Tax Act, 1976.
Short title.

INCOME TAX ACT, 1976

Act No. 103, 1976

Schedule

RATES OF NORMAL TAX PAYABLE BY PERSONS OTHER THAN COMPANIES IN RESPECT OF THE YEARS OF ASSESSMENT ENDING 28 FEBRUARY 1977 AND 30 JUNE 1977, AND BY COMPANIES IN RESPECT OF YEARS OF ASSESSMENT ENDING DURING THE PERIOD OF TWELVE MONTHS ENDING 31 MARCH 1977.

(Section 1 of this Act)

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

- (a) in respect of the taxable income of any person other than a company, an amount of tax calculated in accordance with the tables below on the taxable amount of such person: Provided that—
- (i) where, in the case of any person (other than a natural person who is over the age of sixty years on the last day of the year of assessment and whose taxable income for that year of assessment does not exceed five thousand rand), the amount of tax calculated in accordance with the said tables is not less than one hundred and fifty rand, there shall be added to the amount of tax so calculated a surcharge equal to ten per cent of that amount;
- (ii) any fraction of a rand of the surcharge calculated under paragraph (i) of this proviso shall be disregarded:

Tables

Taxable Amount	Rates of tax in respect of married persons
Where the taxable amount—	
does not exceed R1 000	9 percent of each R1 of the taxable amount;
exceeds R1 000 but does not exceed R2 000	R90 plus 10 per cent of the amount by which the taxable amount exceeds R1 000;
„ R2 000 „ „ „ „ R3 000	R190 plus 10 per cent of the amount by which the taxable amount exceeds R2 000;
„ R3 000 „ „ „ „ R4 000	R290 plus 11 per cent of the amount by which the taxable amount exceeds R3 000;
„ R4 000 „ „ „ „ R5 000	R400 plus 12 per cent of the amount by which the taxable amount exceeds R4 000;
„ R5 000 „ „ „ „ R6 000	R520 plus 14 per cent of the amount by which the taxable amount exceeds R5 000;
„ R6 000 „ „ „ „ R7 000	R660 plus 16 per cent of the amount by which the taxable amount exceeds R6 000;
„ R7 000 „ „ „ „ R8 000	R820 plus 18 per cent of the amount by which the taxable amount exceeds R7 000;
„ R8 000 „ „ „ „ R9 000	R1 000 plus 20 per cent of the amount by which the taxable amount exceeds R8 000;
„ R9 000 „ „ „ „ R10 000	R1 200 plus 22 per cent of the amount by which the taxable amount exceeds R9 000;
„ R10 000 „ „ „ „ R11 000	R1 420 plus 24 per cent of the amount by which the taxable amount exceeds R10 000;
„ R11 000 „ „ „ „ R12 000	R1 660 plus 26 per cent of the amount by which the taxable amount exceeds R11 000;
„ R12 000 „ „ „ „ R13 000	R1 920 plus 28 per cent of the amount by which the taxable amount exceeds R12 000;

INCOME TAX ACT, 1976

Act No. 103, 1976

Taxable Amount	Rates of tax in respect of married persons
Where the taxable amount— exceeds R13 000 but does not exceed R14 000	R2 200 plus 30 per cent of the amount by which the taxable amount exceeds R13 000;
„ R14 000 „ „ „ „ R15 000	R2 500 plus 32 per cent of the amount by which the taxable amount exceeds R14 000;
„ R15 000 „ „ „ „ R16 000	R2 820 plus 34 per cent of the amount by which the taxable amount exceeds R15 000;
„ R16 000 „ „ „ „ R17 000	R3 160 plus 36 per cent of the amount by which the taxable amount exceeds R16 000;
„ R17 000 „ „ „ „ R18 000	R3 520 plus 38 per cent of the amount by which the taxable amount exceeds R17 000;
„ R18 000 „ „ „ „ R19 000	R3 900 plus 40 per cent of the amount by which the taxable amount exceeds R18 000;
„ R19 000 „ „ „ „ R20 000	R4 300 plus 42 per cent of the amount by which the taxable amount exceeds R19 000;
„ R20 000 „ „ „ „ R21 000	R4 720 plus 44 per cent of the amount by which the taxable amount exceeds R20 000;
„ R21 000 „ „ „ „ R22 000	R5 160 plus 46 per cent of the amount by which the taxable amount exceeds R21 000;
„ R22 000 „ „ „ „ R23 000	R5 620 plus 48 per cent of the amount by which the taxable amount exceeds R22 000;
„ R23 000 „ „ „ „ R24 000	R6 100 plus 50 per cent of the amount by which the taxable amount exceeds R23 000;
„ R24 000 „ „ „ „ R25 000	R6 600 plus 52 per cent of the amount by which the taxable amount exceeds R24 000;
„ R25 000 „ „ „ „ R26 000	R7 120 plus 54 per cent of the amount by which the taxable amount exceeds R25 000;
„ R26 000 „ „ „ „ R27 000	R7 660 plus 56 per cent of the amount by which the taxable amount exceeds R26 000;
„ R27 000 „ „ „ „ R28 000	R8 220 plus 58 per cent of the amount by which the taxable amount exceeds R27 000;
„ R28 000 „ „ „ „	R8 800 plus 60 per cent of the amount by which the taxable amount exceeds R28 000;

INCOME TAX ACT, 1976

Act No. 103, 1976

Taxable Amount	Rates of tax in respect of persons who are not married persons
Where the taxable amount—	
does not exceed R1 000	12 per cent of each R1 of the taxable amount;
exceeds R1 000 but does not exceed R2 000	R120 plus 12 per cent of the amount by which the taxable amount exceeds R1 000;
„ R2 000 „ „ „ „ R3 000	R240 plus 13 per cent of the amount by which the taxable amount exceeds R2 000;
„ R3 000 „ „ „ „ R4 000	R370 plus 14 per cent of the amount by which the taxable amount exceeds R3 000;
„ R4 000 „ „ „ „ R5 000	R510 plus 17 per cent of the amount by which the taxable amount exceeds R4 000;
„ R5 000 „ „ „ „ R6 000	R680 plus 20 per cent of the amount by which the taxable amount exceeds R5 000;
„ R6 000 „ „ „ „ R7 000	R880 plus 23 per cent of the amount by which the taxable amount exceeds R6 000;
„ R7 000 „ „ „ „ R8 000	R1 110 plus 26 per cent of the amount by which the taxable amount exceeds R7 000;
„ R8 000 „ „ „ „ R9 000	R1 370 plus 28 per cent of the amount by which the taxable amount exceeds R8 000;
„ R9 000 „ „ „ „ R10 000	R1 650 plus 30 per cent of the amount by which the taxable amount exceeds R9 000;
„ R10 000 „ „ „ „ R11 000	R1 950 plus 32 per cent of the amount by which the taxable amount exceeds R10 000;
„ R11 000 „ „ „ „ R12 000	R2 270 plus 34 per cent of the amount by which the taxable amount exceeds R11 000;
„ R12 000 „ „ „ „ R13 000	R2 610 plus 36 per cent of the amount by which the taxable amount exceeds R12 000;
„ R13 000 „ „ „ „ R14 000	R2 970 plus 38 per cent of the amount by which the taxable amount exceeds R13 000;
„ R14 000 „ „ „ „ R15 000	R3 350 plus 40 per cent of the amount by which the taxable amount exceeds R14 000;
„ R15 000 „ „ „ „ R16 000	R3 750 plus 42 per cent of the amount by which the taxable amount exceeds R15 000;
„ R16 000 „ „ „ „ R17 000	R4 170 plus 44 per cent of the amount by which the taxable amount exceeds R16 000;
„ R17 000 „ „ „ „ R18 000	R4 610 plus 46 per cent of the amount by which the taxable amount exceeds R17 000;
„ R18 000 „ „ „ „ R19 000	R5 070 plus 48 per cent of the amount by which the taxable amount exceeds R18 000;

INCOME TAX ACT, 1976

Act No. 103, 1976

Taxable Amount	Rates of tax in respect of persons who are not married persons
Where the taxable amount—	
exceeds R19 000 but does not exceed R20 000	R5 550 plus 50 per cent of the amount by which the taxable amount exceeds R19 000;
" R20 000 " " " " R21 000	R6 050 plus 52 per cent of the amount by which the taxable amount exceeds R20 000;
" R21 000 " " " " R22 000	R6 570 plus 54 per cent of the amount by which the taxable amount exceeds R21 000;
" R22 000 " " " " R23 000	R7 110 plus 56 per cent of the amount by which the taxable amount exceeds R22 000;
" R23 000 " " " " R24 000	R7 670 plus 58 per cent of the amount by which the taxable amount exceeds R23 000;
" R24 000	R8 250 plus 60 per cent of the amount by which the taxable amount exceeds R24 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)) which is determined under the principal Act to be derived—

- (i) within the territory of South West Africa, thirty-five cents;
- (ii) elsewhere than within the said territory, 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 seven and a half per cent of such amount;

(c) on each rand of the taxable income derived by any company from mining for gold otherwise than on any post-1966 gold mine (but with the exclusion of so much of the taxable income as the Secretary determines to be attributable to the inclusion in the gross income of any amount under the provisions of 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 the conditions in respect of an assisted gold mine imposed by the Minister of Mines under section 2 (2) of the Gold Mines Assistance Act, 1968 (Act No. 82 of 1968), have been complied with by the company concerned during the year of assessment, the rate of tax in respect of taxable

INCOME TAX ACT, 1976

Act No. 103, 1976

income derived by the company from mining for gold on such 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 ten per cent of such amount;

(d) on each rand of the taxable income derived by any company from mining for gold on any post-1966 gold mine (but with the exclusion of so much of the taxable income as the Secretary determines to be attributable to the inclusion in the gross income of any amount under the provisions of paragraph (j) of the definition of "gross income" in section 1 of the principal Act), a percentage determined in accordance with the formula:

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

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

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

and if such taxable income exceeds forty thousand rand, the rate of tax shall not exceed a percentage determined in accordance with a formula arrived at by increasing the number 20 in the formula

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

by one for each completed amount of two thousand five hundred rand by which the said taxable income exceeds forty thousand rand: Provided further that there shall be added to the amount of tax calculated in accordance with the preceding provisions of this subparagraph a surcharge equal to ten per cent of such amount;

- (e) on each rand of the taxable income of any company, the sole or principal business of which in the Republic is or has been mining for gold and the determination of the taxable income of which for the period assessed does not result in an assessed loss, which the Secretary determines to be attributable to the inclusion in its gross income of any amount under the provisions of 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 the higher;
- (f) on each rand of the taxable income derived by any company from mining for diamonds, forty-five cents: Provided that there shall be added to the amount of tax calculated in accordance with the preceding provisions of this subparagraph a surcharge equal to ten 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, diamonds or natural oil)—
 (i) within the territory of South West Africa, thirty-five cents;
 (ii) elsewhere than within the said territory, 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 seven and a half per cent of such amount;
- (h) in respect of the taxable income of any person other than a company, a sum equal to ten per cent of the amount of tax determined in accordance with subparagraph (a) before the addition of the surcharge referred to in the proviso to the said subparagraph, if the said amount is not less than one hundred and fifty rand: Provided that any fraction of a rand of the tax calculated under this subparagraph shall be disregarded;
- (i) in respect of the taxable income of any company, a sum equal to fifteen per cent of the aggregate of the amounts of tax determined under subparagraphs (b), (c), (d), (f) and (g), before the addition of the surcharges referred to in the proviso to subparagraph (b), the third proviso to subparagraph (c), the second proviso to subparagraph (d), the proviso to subparagraph (f) and the proviso to subparagraph (g): Provided that any fraction of a rand of the tax calculated under this subparagraph shall be disregarded: Provided further that the tax calculated in terms of this subparagraph shall not be payable by

INCOME TAX ACT, 1976

Act No. 103, 1976

any company whose liability under this subparagraph would, but for this proviso, be less than five rand.

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

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

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

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