

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.

BUITENGEWONE



EXTRAORDINARY

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[No. 543.

DEPARTMENT OF THE PRIME MINISTER.

No. 986.]

[3rd July, 1963.

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

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No. 72, 1963.]

ACT

To fix the rates of normal tax payable by persons other than companies in respect of the years of assessment ending the twenty-eighth day of February, 1963, the thirtieth day of June, 1963, the twenty-ninth day of February, 1964, and the thirtieth day of June, 1964, and by companies in respect of their financial years ending on or before the thirty-first day of December, 1963, to provide for the payment of a portion of the normal tax payable by certain companies into provincial revenue funds, to provide for the basis of calculation of any tax levied by a provincial council on the incomes of persons other than companies, and to amend the Technological Training Advancement Act, 1960, the Income Tax Act, 1962, and the Income Tax Amendment Act, 1962.

(English text signed by the State President.)
(Assented to 27th June, 1963.)

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

Rates of normal tax.

1. The rates of normal tax to be levied in terms of sub-section (2) of section *five* of the Income Tax Act, 1962 (Act No. 58 of 1962), hereinafter referred to as the principal Act—

- (a) in the case of any person referred to in paragraph (b) of sub-section (1) of that section, in respect of the years of assessment ending the thirtieth day of June, 1963, and the thirtieth day of June, 1964;
- (b) in the case of any person referred to in paragraph (c) of sub-section (1) of that section, in respect of the period of eight months ended the twenty-eighth day of February, 1963, and the year of assessment ending the twenty-ninth day of February, 1964; and
- (c) in the case of any company, in respect of every financial year of such company ending on or before the thirty-first day of December, 1963,

shall be as set forth in the Schedule to this Act.

Portions of normal tax payable by certain companies to be paid into provincial revenue funds.

2. (1) (a) Notwithstanding the provisions of sub-section (1) of section *five* of the principal Act but subject to the provisions of any law providing for the payment of monies into the Transkeian Revenue Fund, a portion (hereinafter referred to as the provincial portion of the normal tax) equal to one-sixth of any amount of tax determined in accordance with sub-item (i) of item (a) of sub-paragraph (1) of paragraph 1 of the Schedule to this Act shall accrue for the benefit of the respective provincial revenue funds in the proportions set forth in Proclamation No. 310 of 1957, but subject to such modifications as may be determined by the State President by proclamation in the *Gazette*, and shall in the said proportions be paid into the said provincial revenue funds in accordance with the laws relating to the collection, banking and custody of provincial revenues as though it were a tax imposed by the provincial councils of the said provinces on the incomes of companies.
- (b) The provincial portion of the normal tax shall not be payable by any company, the sole or principal business of which in the Republic is or has been mining for gold, in respect of so much of its taxable income as the Commissioner determines to be attributable to the inclusion in its gross income of any amount referred to in paragraph (j) of the definition of "gross income" in section *one* of the principal Act.

(2) The provisions of this section shall be deemed to have come into operation on the first day of March, 1963.

Calculation of provincial income taxes in respect of year of assessment ending 29th February, 1964, or 30th June, 1964.

3. For the purposes of assessing any tax imposed by a provincial council in the exercise of its powers under the Financial Relations Consolidation and Amendment Act, 1945 (Act No. 38 of 1945), on the incomes of persons, the amount of normal tax payable under this Act by any person other than a company in respect of the year of assessment ending the twenty-ninth day of February, 1964, or the thirtieth day of June, 1964, whichever is applicable, shall, notwithstanding the provisions of the first-mentioned Act, be deemed to be equal to the amount which would have been payable as normal tax if the proviso to sub-item (ii) of item (a) of sub-paragraph (1) of paragraph 1 of the Schedule to this Act had not been enacted.

Amendment of section 1 of Act 58 of 1962, as amended by section 3 of Act 90 of 1962 and section 1 of Act 6 of 1963.

4. Section *one* of the principal Act is hereby amended—

- (a) by the insertion in paragraph (e) of the definition of "gross income" after the word "law" of the words "or for the benefit of employees of any local authority";
- (b) by the addition at the end of the definition of "local authority" of the words "and the Evaton Native Township Liaison Committee constituted under Part II of Schedule B to Proclamation No. 54 of 1959";
- (c) by the insertion in the definition of "mining operations" and "mining" after the word "mineral" of the expression "(including natural oil)";
- (d) by the insertion after the definition of "mining operations" and "mining" of the following definition: "natural oil" means any liquid or solid hydrocarbon or combustible gas existing in a natural condition in the earth's crust, but does not include coal or bituminous shales or other stratified deposits from which oil can be obtained by destructive distillation, or gas arising from marsh or other surface deposits;";
- (e) by the addition to the definition of "new gold mine" of the words "but does not for the purposes of paragraph (c) of the definition of 'capital expenditure' in sub-section (11) of section *thirty-six* include any mine which commenced the production of gold before the twentieth day of March, 1963"; and
- (f) by the substitution in paragraph (b) of the definition of "year of assessment" for the words "who has under the provisions of sub-paragraph (2) of paragraph 18 of the Fourth Schedule elected not to be a provisional taxpayer" of the words "referred to in paragraph (b) of sub-section (1) of section *five*".

Amendment of section 6 of Act 58 of 1962, as amended by section 4 of Act 90 of 1962 and section 3 of Act 6 of 1963.

5. Section *six* of the principal Act is hereby amended with effect from the commencement of the year of assessment ending the twenty-ninth day of February, 1964, by the substitution in paragraph (d) of sub-section (1) for the expression "seventeen" of the expression "twenty-five".

Amendment of section 9 of Act 58 of 1962, as amended by section 7 of Act 90 of 1962.

6. Section *nine* of the principal Act is hereby amended with effect from the commencement of the year of assessment ending the twenty-ninth day of February, 1964, by the insertion in paragraph (e) of sub-section (1) after the word "Corporation" where it occurs for the first time of the words "or the Council for Scientific and Industrial Research" and the substitution in that paragraph for the words "the Corporation" of the words "that Corporation or that Council".

Amendment of section 10 of Act 58 of 1962, as amended by section 8 of Act 90 of 1962.

7. Section *ten* of the principal Act is hereby amended—

- (a) by the insertion in paragraph (i) of sub-section (1) after the word "Bonds" where it occurs for the second time of the words "Four and a half per cent Seven Year Treasury Bonds" and in sub-paragraph (iv) of that paragraph after the word "Bonds" of the words "and Four and a half per cent Seven Year Treasury Bonds" and after the word "and" of the words "in the aggregate"; and
- (b) with effect from the commencement of the year of assessment ending the twenty-ninth day of February, 1964, by the insertion in paragraph (p) of the said sub-section after the word "Corporation" where it occurs for the first time of the words "or the Council

for Scientific and Industrial Research" and where it occurs for the second time of the words "or the said Council".

Amendment of section 11 of Act 58 of 1962, as amended by section 9 of Act 90 of 1962.

8. Section *eleven* of the principal Act is hereby amended—

- (a) with effect from the commencement of the year of assessment ending the twenty-ninth day of February, 1964, by the insertion in the proviso to paragraph (k) after the word "law" of the words "or for the benefit of employees of any local authority" and the substitution in that proviso for the word "four" of the word "six";
- (b) with effect from the commencement of the year of assessment ending the twenty-ninth day of February, 1964, by the substitution in the proviso to paragraph (n) for the word "eight" in both places where it occurs of the words "one thousand two";
- (c) by the substitution in paragraph (r) for the expression "1963" of the expression "1968" and the insertion in that paragraph after the word "paragraph" of the words "or section *twenty-one bis*"; and
- (d) by the substitution in paragraph (t) for the words "of two years ending on the thirtieth day of June, 1963," of the words "commencing on the first day of July, 1961, and ending on the thirty-first day of December, 1968".

Amendment of section 11*bis* of Act 58 of 1962, as inserted by section 10 of Act 90 of 1962.

9. (1) Section *eleven bis* of the principal Act is hereby amended by the substitution for sub-sections (2) and (3) of the following sub-sections:

"(2) If the taxpayer has during any year of assessment incurred market development expenditure, determined as provided in sub-section (4), there shall be allowed to be deducted from his income for that year an exporters' allowance the amount of which shall be determined as provided in sub-section (3).

(3) The exporters' allowance shall be an amount equal to twenty-five per cent of the market development expenditure (determined as provided in sub-section (4)) incurred by the taxpayer during the year of assessment or, where in relation to the year of assessment the taxpayer has a current export turnover and a basic export turnover and such current export turnover exceeds such basic export turnover by more than ten per cent of such basic export turnover, an amount equal to—

- (a) thirty-seven and a half per cent of such market development expenditure if such current export turnover exceeds such basic export turnover by more than ten per cent but not more than twenty-five per cent of that basic export turnover; or
- (b) fifty per cent of such market development expenditure if such current export turnover exceeds such basic export turnover by more than twenty-five per cent of that basic export turnover:

Provided that for the purposes of this sub-section the current export turnover of an associated company in relation to any year of assessment shall be deemed to be the sum of the current export turnovers in relation to that year of all the associated companies of which that company is one, and the basic export turnover of that company in relation to that year shall be deemed to be the sum of the basic export turnovers of all the said associated companies in relation to that year."

(2) The amendment effected by sub-section (1) shall first take effect in respect of assessments for the year of assessment ended the twenty-eighth day of February, 1963, or, in the case of a company, the first year of assessment of that company ending after the thirtieth day of June, 1962.

Amendment of section 12 of Act 58 of 1962, as amended by section 11 of Act 90 of 1962 and section 4 of Act 6 of 1963.

10. Section *twelve* of the principal Act is hereby amended—

- (a) by the deletion in sub-section (2) of the words "not later than the thirtieth day of June, 1965" and the insertion in that sub-section after the word "assessment" of the expression "(not being later than that ending on the twenty-eighth day of February, 1966)"; and

- (b) by the substitution in the Afrikaans version in sub-section (3) and in sub-section (4) for the words "uitrusting, gereedskap" wherever they occur of the words "gereedskap, werktuie".

Amendment of section 13 of Act 58 of 1962, as amended by section 12 of Act 90 of 1962 and section 5 of Act 6 of 1963.

11. Section *thirteen* of the principal Act is hereby amended—

- (a) by the substitution in paragraph (b) of sub-section (5) for the expression "1965" wherever it occurs of the expression "1966"; and
- (b) by the insertion in sub-section (6) after the word "assessment" of the expression "(but not later than that ending on the twenty-eighth day of February, 1967)" and the deletion of the second proviso to that sub-section.

Amendment of section 36 of Act 58 of 1962

12. Section *thirty-six* of the principal Act is hereby amended—

- (a) by the insertion after sub-section (2) of the following sub-section:

"(2)*bis* In the case of incomes derived from the working of any natural oil deposit there shall in lieu of the quotient be deducted in respect of the year of assessment during which the production of natural oil commences, the amount of capital expenditure incurred up to the close of that year of assessment, and thereafter in respect of each succeeding year of assessment the actual capital expenditure incurred during such year of assessment.";

- (b) by the deletion in paragraph (a) of sub-section (3) of the word "actual" and the deletion in that sub-section of paragraph (b);

- (c) by the insertion after sub-section (3) of the following sub-section:

"(3)*bis* The amount to be deducted under paragraph

(a) of section *fifteen* from income derived from the working of any other deep level gold mine shall be—

(a) where such mine became any other deep level gold mine before the commencement of the year of assessment ended the twenty-eighth day of February, 1963—

(i) in respect of that year of assessment, the sum of the unredeemed balance of capital expenditure at the beginning of that year of assessment and the actual capital expenditure incurred during that year; and

(ii) in respect of any subsequent year of assessment, the actual capital expenditure incurred during such subsequent year; or

(b) where such mine became any other deep level gold mine during or after the year of assessment ended the twenty-eighth day of February, 1963—

(i) in respect of the year of assessment during which such mine became any other deep level gold mine, the sum of the unredeemed balance of capital expenditure at the beginning of the year of assessment during which it became any other deep level gold mine and the actual capital expenditure incurred during such last-mentioned year; and

(ii) in respect of any year of assessment subsequent to the year of assessment during which such mine became any other deep level gold mine, the actual capital expenditure incurred during such subsequent year.";

- (d) by the substitution in sub-section (4) for the words "new gold mines" of the expression "mines referred to in sub-section (3) or (3)*bis*";

- (e) by the insertion in paragraph (c) of the definition of "capital expenditure" in sub-section (11) after the word "new" where it occurs for the first time of the words "gold mine, any new";

- (f) by the insertion in the said paragraph (c) after the word "new" where it occurs in sub-paragraph (i) and where it occurs after sub-paragraph (iv) of the words "gold mine or a new";

- (g) by the substitution in the said paragraph (c) for the expression "paragraph (b) of sub-section (3)" of the expression "proviso (dd) to this paragraph"; and

(h) by the addition of the following provisos to the said paragraph (c):

“(dd) for the purposes of sub-sections (3) and (3)bis of this section any amount calculated under this paragraph in respect of any year of assessment shall be deemed to be capital expenditure incurred on the last day of such year of assessment;

(ee) the amount under this paragraph in respect of any new gold mine shall not be calculated in respect of any period occurring before the twentieth day of March, 1963;”.

Amendment of section 109 of Act 58 of 1962.

13. Section *one hundred and nine* of the principal Act is hereby amended by the substitution in sub-section (2) for the expression “(7)” of the expression “(5)”.

Amendment of section 110bis of Act 58 of 1962, as inserted by section 18 of Act 6 of 1963.

14. Section *one hundred and ten bis* of the principal Act is hereby amended by the substitution in paragraph (g) of sub-section (3) for the words following the word “shall” where it occurs for the second time of the words “accrue for the benefit of the Consolidated Revenue Fund and the provincial revenue fund concerned in the proportions determined in accordance with the provisions of paragraph 33 of the Fourth Schedule or where such charge or interest is by this paragraph deemed to have been imposed under or to be payable in terms of any ordinance of the province of the Cape of Good Hope, for the benefit of the Consolidated Revenue Fund, the revenue fund of the province of the Cape of Good Hope and the Transkeian Revenue Fund in the proportions determined in accordance with the provisions of paragraphs 33 and 34 of that Schedule”.

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

15. The following paragraph is hereby substituted for paragraph 1 of the First Schedule to the principal Act:

“1. In this Schedule—

(a) a reference to a year of assessment shall in the case of any taxpayer who has under the provisions of sub-section (13) or (13)ter of section *sixty-six* of this Act been permitted to furnish accounts in respect of the income derived by him from pastoral, agricultural or other farming operations made up to a date other than the last day of the relevant year of assessment, be construed as a reference to the period covered by such accounts; and

(b) a reference to the end of a year of assessment includes, where the period assessed ends on a date other than the last day of the year of assessment, a reference to the end of that period.”.

Amendment of paragraph 3 of 1st Schedule to Act 58 of 1962.

16. Paragraph 3 of the First Schedule to the principal Act is hereby amended by the deletion of the expression “(reduced as provided in paragraph (10))” wherever it occurs.

Amendment of paragraph 4 of 1st Schedule to Act 58 of 1962.

17. Paragraph 4 of the First Schedule to the principal Act is hereby amended—

(a) by the insertion in sub-paragraph (1) after the word “shall” of the words “, subject to the provisions of sub-paragraph (2),”;

(b) by the deletion in sub-item (i) of item (a) of the said sub-paragraph of the expression “(reduced as provided in paragraph 10 or the corresponding provisions of any previous Income Tax Act)”;

(c) by the addition of the following sub-paragraph:

“(2) For the purposes of any assessment in respect of the year of assessment ended the twenty-eighth day of February, 1963, the value of livestock held and not disposed of by the farmer at the beginning of that year of assessment shall for purposes of sub-item (i) of item (a) of sub-paragraph (1) be deemed to be the value of the livestock held by him at the end of the year of assessment ended the thirtieth day of June, 1962, as determined in accordance with the provisions of paragraphs 5 to 8, inclusive, less so much of the amount of any reduction in such value under paragraph 10 as relates to livestock acquired by purchase for stud purposes”.

Substitution of paragraph 5 of 1st Schedule to Act 58 of 1962.

18. The following paragraph is hereby substituted with effect from the end of the year of assessment ended the twenty-eighth day of February, 1963, for paragraph 5 of the First Schedule to the principal Act:

“5. (1) In the case of a farmer (other than a company or the estate of a deceased person) the value to be placed upon livestock for the purposes of this Schedule shall,

subject to the appropriate provisions of sub-item (ii) of item (a) or sub-item (ii) of item (b) of sub-paragraph (1) of paragraph 4 and the provisions of sub-paragraph (2) of this paragraph—

(a) in respect of livestock acquired by purchase for breeding purposes and of which the purchase price—

- (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;
- (iv) in the case of a mare or filly exceeds R200;
- (v) in the case of a ram or a he-goat exceeds R150;
- (vi) in the case of an ewe or a she-goat exceeds R75;
- (vii) in the case of pig exceeds R50; or
- (viii) in the case of any other animal exceeds R100,

be the purchase price incurred by the taxpayer in respect of the livestock, less an amount not exceeding such purchase price calculated at the rate of ten per cent of such purchase price for each year of assessment, whether under this Act or any previous Income Tax Act, during which the livestock in question has been held and has not been disposed of by the farmer; and

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

(2) The value to be placed on livestock held and not disposed of by any farmer referred to in sub-paragraph (1) at the end of the period of assessment terminating at his death or insolvency shall be the price which in the opinion of the Commissioner is the current market price of the livestock.

(3) In the case of a company or the estate of a deceased person the value to be placed on livestock for the purposes of this Schedule shall, subject to the appropriate provisions of sub-item (ii) of item (a) or sub-item (ii) of item (b) of sub-paragraph (1) of paragraph 4, be—

- (a) if acquired by purchase, either the purchase price paid or the price which in the opinion of the Commissioner is the current market price of the livestock; or
- (b) if acquired otherwise than by purchase, the price which in the opinion of the Commissioner is the current market price of the livestock.”.

Deletion of paragraphs 8 and 10 of 1st Schedule to Act 58 of 1962.

19. Paragraphs 8 and 10 of the First Schedule to the principal Act are hereby deleted.

Amendment of paragraph 4 of 2nd Schedule to Act 58 of 1962.

20. Paragraph 4 of the Second Schedule to the principal Act is hereby amended by the insertion in sub-paragraph (2) after the word “fund” where it occurs for the third time of the words “on or after the fifteenth day of March, 1961”.

Amendment of paragraph 5 of 2nd Schedule to Act 58 of 1962, as amended by section 31 of Act 90 of 1962.

21. Paragraph 5 of the Second Schedule to the principal Act is hereby amended by the insertion in item (b) of sub-paragraph (2) after the word “any” of the words “pension or”.

Amendment of paragraph 1 of 4th Schedule to Act 58 of 1962, as added by section 19 of Act 6 of 1963.

22. Paragraph 1 of the Fourth Schedule to the principal Act is hereby amended with effect from the commencement of the Income Tax Amendment Act, 1963, by the substitution in the definition of “employer” for the words “any company” of the words “any person responsible for the payment of any amount by way of remuneration to any person other than a company under the provisions of any law or out of public funds (including the funds of any provincial council or any administration or undertaking of the State) or out of funds voted by Parliament or a provincial council”.

Amendment of paragraph 2 of 4th Schedule to Act 58 of 1962, as added by section 19 of Act 6 of 1963.

23. Paragraph 2 of the Fourth Schedule to the principal Act is hereby amended—

- (a) with effect from the commencement of the Income Tax Amendment Act, 1963, by the substitution in sub-paragraph (1) for the word “person” where

it occurs for the first time of the word "employer" and the insertion in that sub-paragraph after the word "employer" where it occurs for the second time of the words "before the end of such month"; and

- (b) by the insertion in sub-paragraph (4) after the word "law" of the words "or for the benefit of employees of any local authority" and the substitution in that sub-paragraph for the word "four" of the word "six" and for the word "eight" of the words "one thousand two".

Amendment of paragraph 13 of 4th Schedule to Act 58 of 1962, as added by section 19 of Act 6 of 1963.

24. Paragraph 13 of the Fourth Schedule to the principal Act is hereby amended—

- (a) by the substitution in sub-paragraphs (1) to (4), inclusive, for the word "person" wherever it occurs of the word "employer" and in sub-paragraph (3) for the word "a" of the word "an"; and
(b) by the substitution in sub-paragraph (15) for the expression "(11)" of the expression "(12)".

Amendment of paragraph 20 of 4th Schedule to Act 58 of 1962, as added by section 19 of Act 6 of 1963.

25. Paragraph 20 of the Fourth Schedule to the principal Act is hereby amended by the insertion in the proviso to sub-paragraph (1) after the word "where" of the words "in the case of a company" and the addition to that sub-paragraph of the following proviso:

"Provided further that for the purposes of this sub-paragraph the immediately preceding year of assessment in relation to the year of assessment ending the twenty-ninth day of February, 1964, shall in the case of every provisional taxpayer (other than a company) be deemed to be the year of assessment ended the thirtieth day of June, 1962."

Amendment of paragraph 22 of 4th Schedule to Act 58 of 1962, as added by section 19 of Act 6 of 1963.

26. Paragraph 22 of the Fourth Schedule to the principal Act is hereby amended by the addition of the following sub-paragraph the existing paragraph becoming sub-paragraph (1):

"(2) If the Commissioner has in terms of sub-section (13)ter of section sixty-six of this Act agreed to accept accounts from any provisional taxpayer referred to in sub-paragraph (1) in respect of any year of assessment drawn to a date falling after the end of such year the Commissioner may upon the application of the taxpayer direct that the last day of such year of assessment shall for the purposes of sub-paragraph (1) be deemed to be such day as the Commissioner having regard to the circumstances of the case fixes."

Amendment of paragraph 24 of 4th Schedule to Act 58 of 1962, as added by section 19 of Act 6 of 1963.

27. Paragraph 24 of the Fourth Schedule to the principal Act is hereby amended by the insertion after the expression "(b)" where it occurs for the first time of the expression "of sub-paragraph (1)".

Amendment of paragraph 32 of 4th Schedule to Act 58 of 1962, as added by section 19 of Act 6 of 1963.

28. Paragraph 32 of the Fourth Schedule to the principal Act is hereby amended by the insertion before the word "any" where it occurs for the first time of the expression "(a)" and where it occurs for the seventh time of the expression "(b)".

Amendment of paragraph 33 of 4th Schedule to Act 58 of 1962, as added by section 19 of Act 6 of 1963.

29. Paragraph 33 of the Fourth Schedule to the principal Act is hereby amended—

- (a) by the insertion in sub-paragraph (2) after the word "contained" of the words "but subject to the provisions of paragraph 34," and the deletion in that sub-paragraph of the words "and no adjustment shall be made save as is provided in sub-paragraph (6)";
(b) by the insertion in sub-paragraph (4) after the word "refunded" of the words "by the Commissioner on or after the first day of April, 1963," and after the word "shall" of the words "subject to the provisions of paragraph 34";
(c) by the substitution for item (b) of sub-paragraph (6) of the following item:
"(b) If the rates of normal or provincial taxes in respect of persons other than companies in respect of any year of assessment succeeding the year of assessment referred to in item (ii) of sub-paragraph (5) and ending before or during the fiscal year in respect of which a determination is required to be made by the

Commissioner under that sub-paragraph, differ materially from the respective rates of normal or provincial taxes, as the case may be, in respect of the year of assessment referred to in the said item he shall make such adjustment in that determination as he deems necessary.”;

- (d) by the addition at the end of sub-paragraph (7) of the words “or in terms of paragraph 34, for the benefit of the Transkeian Revenue Fund”; and
- (e) by the insertion in sub-paragraph (8) after the word “payable” of the words “on or after the first day of April, 1963,” and after the word “mining” of the words “or any private company which is managed and controlled in the Transkei and in which Bantu persons have a controlling interest”.

Addition of paragraph 34 to 4th Schedule to Act 58 of 1962, as added by section 19 of Act 6 of 1963.

30. The Fourth Schedule to the principal Act is hereby amended by the addition at the end thereof of the following paragraph:

“PAYMENTS TO AND REFUNDS FROM THE TRANSKEIAN REVENUE FUND.

34. (1) For the purposes of this paragraph “fiscal year” means a fiscal year as defined in sub-paragraph (1) of paragraph 33.

(2) Where under the provisions of sub-paragraph (2) of paragraph 33 any amount paid on or after the date referred to in sub-section (1) of section *fifty-two* of the Transkei Constitution Act, 1963, accrues partly for the benefit of the Consolidated Revenue Fund and partly for the benefit of the revenue fund of the province of the Cape of Good Hope, a proportion (determined by the Commissioner on the basis prescribed in sub-paragraph (4) of this paragraph for the fiscal year during which the amount is received) of such amount shall, notwithstanding the provisions of the said sub-paragraph (2), accrue for the benefit of the Transkeian Revenue Fund and the provisions of the said sub-paragraph (2) shall be deemed to apply in respect of only so much of the said amount as remains after the deduction of the said proportion.

(3) A proportion (determined by the Commissioner on the basis prescribed in sub-paragraph (4) of this paragraph for the fiscal year during which the refund is made) of any amount refunded on or after the date referred to in sub-section (1) of section *fifty-two* of the Transkei Constitution Act, 1963, in respect of any tax, interest, penalty or additional tax referred to in sub-paragraph (2) of paragraph 33 and paid as a drawback partly from revenues accruing to the Consolidated Revenue Fund and partly from revenues accruing to the revenue fund of the province of the Cape of Good Hope shall, notwithstanding the provisions of sub-paragraph (4) of paragraph 33, be paid as a drawback from revenues accruing to the Transkeian Revenue Fund, and the provisions of sub-paragraph (4) of paragraph 33 shall be deemed to apply in respect of only so much of the said amount as remains after the deduction of the said proportion.

(4) Subject to the provisions of sub-paragraph (5) the proportion of any amount accruing for the benefit of the Transkeian Revenue Fund in terms of sub-paragraph (2) or to be paid as a drawback from revenues accruing to that fund in terms of sub-paragraph (3) shall be determined by the Commissioner in accordance with the formula—

$$Y = \frac{D}{B} \times \frac{100}{1},$$

in which formula—

- (a) “Y” represents the proportion, expressed as a percentage, which has to be determined;
- (b) “D” represents the aggregate of the amounts of normal and provincial taxes which the Commissioner estimates as payable by citizens of the Transkei who are ordinarily resident in the Transkei in respect of the year of assessment ending during the year ending the thirty-first day of December immediately preceding the commencement of the fiscal year for which the determination is made; and

- (c) "B" represents the aggregate of the amounts of normal and provincial taxes which the Commissioner estimates as payable by persons (other than companies) liable for the payment of the provincial taxes of the province of the Cape of Good Hope in respect of the year of assessment referred to in item (b).
- (5) (a) In applying the formula set out in sub-paragraph (4) in relation to the fiscal year ending the thirty-first day of March, 1965, any reference in item (b) or (c) of that sub-paragraph to a year of assessment shall be deemed to be a reference to the year of assessment ended the thirtieth day of June, 1962.
- (b) If the rates of normal or provincial taxes in respect of persons other than companies in respect of any year of assessment succeeding the year of assessment referred to in item (b) of sub-paragraph (4) and ending before or during the fiscal year in respect of which a determination is required to be made by the Commissioner under that sub-paragraph, differ materially from the respective rates of normal or provincial taxes, as the case may be, in respect of the year of assessment referred to in the said item, he shall make such adjustment in that determination as he deems necessary.
- (6) The amounts paid into the Transkeian Revenue Fund under the provisions of this paragraph shall be deemed to be the full amounts required to be paid into that fund in terms of sub-paragraph (ii) of paragraph (a) of sub-section (1) of section *fifty-two* of the Transkei Constitution Act, 1963, in respect of any tax (other than normal tax payable by any company, non-resident shareholders' tax, undistributed profits tax, excess profits duty or donations tax) as defined in section *one* of this Act for the purposes of Part IV of Chapter III of this Act, any interest (other than interest payable by any company in respect of normal tax or provisional tax) payable in terms of section *eighty-nine* or *eighty-nine bis* of this Act, any penalty (other than a penalty payable by any company under paragraph 27) imposed under paragraph 5, 6 or 27 and any additional tax imposed on any person other than a company under paragraph 20."

Amendment of section 1 of Act 69 of 1960.

31. (1) Section *one* of the Technological Training Advancement Act, 1960, is hereby amended by the deletion in the definition of "technological training" of the word "post-graduate".

(2) The provisions of sub-section (1) shall first take effect in respect of donations made on or after the commencement of this Act by a company as contemplated in paragraph (r) of section *eleven* of the principal Act.

Amendment of section 10 of Act 90 of 1962, as amended by section 29 of Act 6 of 1963.

32. Section *ten* of the Income Tax Amendment Act, 1962, is hereby amended by the addition to sub-section (2) of the words "or, in the case of a company, the first year of assessment of such company ending after the thirtieth day of June, 1962".

Commencement of certain amendments.

33. Save as otherwise provided the amendments effected to the principal Act by sections *four*, *seven*, *twelve* and *fifteen* to *twenty-one*, inclusive, shall first take effect in respect of assessments for the year of assessment ended the twenty-eighth day of February, 1963.

Short title.

34. This Act shall be called the Income Tax Act, 1963.

Schedule.

RATES OF NORMAL TAX PAYABLE BY PERSONS OTHER THAN COMPANIES IN RESPECT OF THE PERIOD OF EIGHT MONTHS ENDED THE TWENTY-EIGHTH DAY OF FEBRUARY, 1963, OR THE YEAR OF ASSESSMENT ENDING THE THIRTIETH DAY OF JUNE, 1963, WHICHEVER IS APPLICABLE, AND THE YEAR OF ASSESSMENT ENDING THE TWENTY-NINTH DAY OF FEBRUARY, 1964, OR THE THIRTIETH DAY OF JUNE, 1964, WHICHEVER IS APPLICABLE, AND BY COMPANIES IN RESPECT OF THEIR FINANCIAL YEARS ENDING ON OR BEFORE THE THIRTY-FIRST DAY OF DECEMBER, 1963.

(Section one of this Act.)

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

(a) In respect of the taxable income (excluding so much as is derived from mining operations carried on in the Republic by any company, but including so much as the Commissioner determines to be attributable to the inclusion in the gross income derived from mining in the Republic for gold, of any amount referred to in paragraph (j) of the definition of "gross income" in section one of the principal Act)—

(i) in the case of all companies, except as provided in paragraph (b) of sub-section (1) of section two of this Act, for each rand of the taxable income, thirty cents;

(ii) in the case of persons other than companies, as prescribed in the tables below: Provided that there shall in respect of the year of assessment ending the twenty-ninth day of February, 1964, or the thirtieth day of June, 1964, whichever is applicable, be deducted from the amount of tax calculated in accordance with the said tables a sum equal to five per cent of the net amount arrived at after deducting the rebates provided for in section six of the principal Act from the amount of the tax so calculated:

TABLES.

Taxable Income.	Rates of Tax in Respect of Married Persons.
Where the taxable income— does not exceed R600	6 per cent of each R1 of taxable income;
exceeds R600, but does not exceed R1,000	R36 plus 7 per cent of the amount by which the taxable income exceeds R600;
„ R1,000, „ „ R1,200	R64 plus 8 per cent of the amount by which the taxable income exceeds R1,000;
„ R1,200, „ „ R2,400	R80 plus 8 per cent of the amount by which the taxable income exceeds R1,200;
„ R2,400, „ „ R3,000	R176 plus 8 per cent of the amount by which the taxable income exceeds R2,400;
„ R3,000, „ „ R4,600	R224 plus 9 per cent of the amount by which the taxable income exceeds R3,000;
„ R4,600, „ „ R5,000	R368 plus 16 per cent of the amount by which the taxable income exceeds R4,600;
„ R5,000, „ „ R6,000	R432 plus 25 per cent of the amount by which the taxable income exceeds R5,000;
„ R6,000, „ „ R8,000	R682 plus 29 per cent of the amount by which the taxable income exceeds R6,000;
„ R8,000, „ „ R10,000	R1,262 plus 35 per cent of the amount by which the taxable income exceeds R8,000;
„ R10,000 „ „ R12,000	R1,962 plus 39 per cent of the amount by which the taxable income exceeds R10,000;
„ R12,000, „ „ R14,000	R2,742 plus 40 per cent of the amount by which the taxable income exceeds R12,000;
„ R14,000, „ „ R16,000	R3,542 plus 44 per cent of the amount by which the taxable income exceeds R14,000;

Taxable Income.	Rates of Tax in Respect of Married Persons.
Where the taxable income— exceeds R16,000, but does not exceed R18,000	R4,422 plus 47 per cent of the amount by which the taxable income exceeds R16,000;
„ R18,000	R5,362 plus 50 per cent of the amount by which the taxable income exceeds R18,000;
Taxable Income.	Rates of Tax in Respect of Persons who are not Married.
Where the taxable income— does not exceed R600	7½ per cent of each R1 of taxable income;
exceeds R600, but does not exceed R1,000	R45 plus 9 per cent of the amount by which the taxable income exceeds R600;
„ R1,000, „ „ R1,200	R81 plus 9 per cent of the amount by which the taxable income exceeds R1,000;
„ R1,200. „ „ R2,400	R99 plus 9 per cent of the amount by which the taxable income exceeds R1,200;
„ R2,400, „ „ R3,000	R207 plus 10 per cent of the amount by which the taxable income exceeds R2,400;
„ R3,000, „ „ R4,600	R267 plus 11 per cent of the amount by which the taxable income exceeds R3,000;
„ R4,600, „ „ R5,000	R443 plus 18 per cent of the amount by which the taxable income exceeds R4,600;
„ R5,000, „ „ R6,000	R515 plus 26 per cent of the amount by which the taxable income exceeds R5,000;
„ R6,000, „ „ R8,000	R775 plus 30 per cent of the amount by which the taxable income exceeds R6,000;
„ R8,000, „ „ R10,000	R1,375 plus 36 per cent of the amount by which the taxable income exceeds R8,000;
„ R10,000, „ „ R12,000	R2,095 plus 41 per cent of the amount by which the taxable income exceeds R10,000;
„ R12,000, „ „ R14,000	R2,915 plus 42 per cent of the amount by which the taxable income exceeds R12,000;
„ R14,000, „ „ R16,000	R3,755 plus 45 per cent of the amount by which the taxable income exceeds R14,000;
„ R16,000, „ „ R18,000	R4,655 plus 48 per cent of the amount by which the taxable income exceeds R16,000;
„ R18,000	R5,615 plus 50 per cent of the amount by which the taxable income exceeds R18,000;

(b) in respect of so much of the taxable income as has been derived by any company from mining in the Republic for gold (but with the exclusion of so much of the taxable income as the Commissioner determines to be attributable to the inclusion in the gross income of any amount referred to in paragraph (j) of the definition of "gross income" in section one of the principal Act), on each rand of the taxable income, a percentage determined in accordance with the formula—

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

in which formula (and in the formulae set out in the 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:

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

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;

- (c) in respect of so much of the taxable income as has been derived by any company from mining in the Republic for diamonds, for each rand of the taxable income, forty-five cents;
 - (d) in respect of so much of the taxable income as has been derived by any company from mining operations (other than mining for gold or diamonds) carried on by such company in the Republic, for each rand of the taxable income, thirty cents;
 - (e) in respect of so much 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, as the Commissioner determines to be attributable to the inclusion in its gross income of any amount referred to in paragraph (j) of the definition of "gross income" in section one of the principal Act, for each rand so determined to be attributable to the inclusion of any such amount, the amount by which the average rate of normal tax as determined under item (b) of sub-paragraph (2) exceeds twenty-five cents;
- (2) (a) For the purposes of sub-paragraph (1) income derived from mining in the Republic for gold shall include any income derived from silver, osmiridium, uranium, pyrites or other minerals which may be won in the course of the mining for gold, and any income which, in the opinion of the Commissioner, results directly from mining for gold.
- (b) For the purposes of item (e) of sub-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 paragraph for the period assessed) paid by the company concerned in respect of its aggregate taxable income from gold mining for the period from the first day of July, 1916, to the end of the period assessed, by the number of rand contained in the said aggregate taxable income.
- (c) The tax determined in accordance with any one of the items (a) to (e) of sub-paragraph (1), shall be payable in addition to the tax determined in accordance with any other of the said items.