

No. 90, 1962.]

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.

ACT

To fix the rates of normal tax in respect of the year of assessment ending the thirtieth day of June, 1962, to provide for the payment of a portion of the normal tax payable by certain companies into provincial revenue funds, to amend the law relating to income tax, and to provide for the furnishing of information by employers and others.

(English text signed by the State President.)
(Assented to 27th June, 1962.)

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 sub-section (2) of section *five* of the Income Tax Act, 1962 (Act No. 58 of 1962), hereinafter referred to as the principal Act, in respect of the year of assessment ending the thirtieth day of June, 1962, shall be as set forth in the Schedule to this Act. Rates of normal tax.
2. (1) (a) Notwithstanding the provisions of sub-section (1) of section *five* of the principal Act, 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. Portions of normal tax payable by certain companies to be paid into provincial revenue funds.

(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 come into operation on the first day of July, 1962.
3. Section *one* of the principal Act is hereby amended— Amendment of section 1 of Act 58 of 1962.
 - (a) by the addition with effect from the first day of July, 1962, at the end of the definition of "assessment" of the words "and any decision of the Commissioner which is in terms of this Act subject to objection and appeal";
 - (b) by the addition at the end of paragraph (d) of the definition of "company" of the word "or", and the addition to that definition of the following paragraph:

"(e) any unit portfolio comprised in any unit trust scheme in securities other than property shares managed or carried on by any company registered as a management company under section *four* of the Unit Trusts Control Act, 1947 (Act No. 18 of 1947), if—

 - (i) such portfolio was created on or after the date of commencement of the Unit Trusts Control Amendment Act, 1962 (Act No. 11 of 1962); or
 - (ii) such portfolio was created before that date and the relevant trust deed has after that date been amended in order to create further units in that portfolio;"

- (c) by the insertion in the definition of "dividend" after the word "shareholders" where it occurs for the first time of the words "or any amount distributed out of the assets pertaining to any unit portfolio referred to in paragraph (e) of the definition of 'company' in this section to shareholders in relation to such unit portfolio," and the substitution with effect from the first day of July, 1962, for paragraph (g) of that definition of the following paragraphs:

"(g) so much of the nominal value of any bonus shares awarded to shareholders as part of the equity share capital of a company by a company which is recognized as a public company in terms of section *thirty-eight* and which during the period of ten years ending the day before the date of such award has made any partial reduction of its paid-up share capital involving a distribution to shareholders of cash or other assets, as exceeds the sum of the amounts which in the opinion of the Commissioner were available for distribution to shareholders on each and every date on which the company made a partial reduction of its paid-up share capital during the said period, less the sum of so much of the nominal values of all bonus shares awarded by such company during that period (excluding any portion of that period occurring prior to the first day of July, 1957) as constituted dividends for the purposes of this definition or the definition of 'dividend' in section *one* of the Income Tax Act, 1941: Provided that for the purposes of this paragraph the amount available for distribution on any date on which the company made a partial reduction of its paid-up share capital shall, if that amount exceeds the nominal amount of such reduction, be deemed to be an amount equal to such nominal amount; or

(h) the nominal value of any bonus shares awarded to shareholders as part of the equity share capital of a company by a company which is recognized as a public company in terms of section *thirty-eight* and which during the period of ten years ending the day before the date of such award has not made any partial reduction of its paid-up share capital involving a distribution to shareholders of cash or other assets;"

- (d) by the substitution in paragraph (c) of the definition of "gross income" for the words following the word "rendered" where it occurs for the second time of the following proviso:

"Provided that—

(i) any amount received by or accrued to an employee or the holder of any office by way of bonus, gratuity or compensation upon and because of the termination of his services (less so much thereof as is exempt from tax under paragraph (x) of sub-section (1) of section *ten*) shall be deemed to be received or to accrue in three successive equal annual instalments of which the first instalment shall be deemed to have been received or to have accrued on the date of receipt or accrual of such amount and each of the subsequent instalments on the appropriate anniversary of that date, if—

(aa) the termination of the services of such employee or office holder is due to superannuation, ill health or other infirmity; or

(bb) the Commissioner is satisfied that the circumstances of the case warrant this concession;

(ii) any amount (other than any bonus or any amount referred to in paragraph (i) of this proviso) which has been received by or has accrued to an employee or holder of any office under a permanent award of salary or wages granted with retrospective effect in respect of services rendered by such employee or office holder, shall for the purposes of this Act or any previous Income Tax Act be deemed to have been received or to have accrued—

- (aa) if such award relates to a year or period of assessment commencing not more than two years before the commencement of the year or period of assessment during which the award becomes effective, during the year or period of assessment to which the award relates;
- (bb) if such award relates to a year or period of assessment commencing more than two years before the commencement of the year or period of assessment during which the award becomes effective, in three equal instalments, in the case of the first and second instalments two years and one year respectively before the date on which the award becomes effective, and, in the case of the third instalment, on that date;
- (iii) any amount which but for the repeal of the Income Tax Act, 1941 (Act No. 31 of 1941), would have been deemed to have been received or to have accrued on any date in terms of the proviso to paragraph (b) of the definition of 'gross income' in section seven of that Act, shall for the purposes of this paragraph be deemed to have been received or to have accrued on the said date;"
- (e) by the insertion in the proviso to paragraph (e) of the said definition after the expression "paragraph (g)" of the expression "of sub-section (1)";
- (f) by the insertion after sub-paragraph (ii) of paragraph (g) of the said definition of the following sub-paragraph:
 - "(ii)bis for the right of use of any motion picture film or any sound recording or advertising matter connected with such film; or";
- (g) by the insertion in sub-paragraph (iv) of the said paragraph after the word "such" of the words "film, sound recording, advertising matter,";
- (h) by the substitution for the definition of "married person" of the following definition:
 - "'married person' means any person who—
 - (a) during any portion of the period in respect of which any assessment is made was married or was a widower or widow or was separated under a written agreement of separation entered into after the twenty-first day of March, 1962; or
 - (b) during the whole of such period—
 - (i) was divorced or was separated under an order of judicial separation, if the proceedings for such divorce or judicial separation were instituted not later than the said date; or
 - (ii) was separated under a written agreement of separation entered into not later than that date,
 - and who is entitled to any deduction in respect of a child under paragraph (c) of sub-section (1) of section six;"
- (i) by the insertion in the definition of "pension fund" after the word "law" where it occurs for the first time of the words "or for the benefit of employees of any local authority" and the substitution in that definition for the words "established by law" where they occur for the second time of the words "so established"; and
- (j) by the substitution for the definition of "shareholder" of the following definition:
 - "'shareholder'—
 - (a) in relation to any company referred to in paragraph (a), (b), (c) or (d) of the definition of 'company' in this section, means the registered shareholder in respect of any share, except that where some person other than

the registered shareholder is entitled, whether by virtue of any provision in the memorandum or articles of association of the company or under the terms of any agreement or contract, or otherwise, to all or part of the benefit of the rights of participation in the profits or income attaching to the share so registered, such other person shall, to the extent that he is entitled to such benefit, also be deemed to be a shareholder; or

- (b) in relation to any company referred to in paragraph (e) of the said definition, the registered holder of any unit certificate issued in respect of a unit included in the relevant unit portfolio, except that where some person other than the registered holder of any unit is entitled, whether by virtue of any provision in the trust deed entered into for the purposes of the relevant unit trust scheme or under the terms of any agreement or contract, or otherwise, to all or part of the benefit of the rights of participation in the profits or income attaching to the unit certificate, such other person shall, to the extent that he is entitled to such benefit, also be deemed to be a shareholder;”.

4. Section *six* of the principal Act is hereby amended by the substitution for the provisos to paragraph (c) of sub-section (1) of the following proviso: Amendment of section 6 of Act 58 of 1962.

“Provided that—

- (aa) where the taxpayer is in terms of this paragraph entitled to a deduction in respect of more than two children, the deduction to be allowed in respect of each child in excess of two shall be thirty-nine rand;
- (bb) a parent who has been divorced or separated under an order of divorce or judicial separation granted in consequence of proceedings instituted not later than the twenty-first day of March, 1962, or separated under a written agreement of separation entered into not later than that date, shall not be allowed the deduction in respect of any child born of the marriage which has been dissolved by the order of divorce or to which the order or agreement of separation relates, unless he has maintained such child during such period and the cost of such maintenance has not in terms of section *twenty-one* been deducted from his taxable income;
- (cc) where the taxpayer is not a married person, and is entitled to a deduction in terms of this paragraph in respect of any one or more children born to him who are proved to the satisfaction of the Commissioner to have been wholly or mainly dependent for their maintenance upon the taxpayer from resources of the taxpayer derived otherwise than by way of any alimony or allowance or maintenance received by the taxpayer from the other parent of any such child, and who are not children in respect of whose maintenance the taxpayer's taxable income has been reduced in terms of section *twenty-one*, there shall further be deducted the sum of sixteen rand irrespective of the number of such children;”.

5. Section *seven* of the principal Act is hereby amended by the substitution in sub-section (2) for the words “judicial order or written agreement” of the words “written agreement of separation entered into on or before the twenty-first day of March, 1962, or under any judicial order”. Amendment of section 7 of Act 58 of 1962.

6. (1) Section *eight* of the principal Act is hereby amended— Amendment of section 8 of Act 58 of 1962.

- (a) by the insertion in sub-section (2) after the expression “(g)” of the expression “or (h)”, and after the word “not” where it occurs for the first time of the word “wholly”;

- (b) by the substitution in paragraph (a) of that sub-section for the words following the word "exceeding" of the words "so much of the nominal value of such bonus shares (excluding any such shares awarded out of share premium account) as did not rank as a dividend as aforesaid; and";
 - (c) by the insertion in paragraph (b) of that sub-section after the word "exceed" of the words "so much of" and after the word "account" where it occurs for the first time of the words "as did not rank as a dividend as aforesaid";
 - (d) by the insertion in paragraph (b) of sub-section (3) after the expression "(g)" of the expression "or (h)"; and
 - (e) by the insertion in paragraph (b) of sub-section (4) after the expression "in paragraph (c)" of the expression "of sub-section (1)".
- (2) The amendments effected by paragraphs (a), (b), (c) and (d) of sub-section (1) shall first take effect in respect of assessments for the year of assessment ending the thirtieth day of June, 1963.

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

Amendment of
section 9 of
Act 58 of 1962.

- (a) by the substitution for paragraph (b) of the following paragraph:

"(b) the use in the Republic of or the grant of permission to use in the Republic, or the imparting of or the undertaking to impart any knowledge directly or indirectly connected with the use in the Republic of—

- (i) any patent as defined in the Patents Act, 1952 (Act No. 37 of 1952), or any design, trade mark or copyright as defined in the Designs, Trade Marks and Copyright Act, 1916 (Act No. 9 of 1916), or any other property which in the opinion of the Commissioner is of a similar nature; or

- (ii) any motion picture film or any sound recording or advertising matter used or intended to be used in connection with such film,

wheresoever such patent, design, trade mark, copyright, property, film, sound recording or advertising matter has been produced or made or such permission has been granted or such knowledge has been imparted or such undertaking has been given or payment for such use, grant of permission, imparting of knowledge or undertaking has been made or is to be made, and whether such payment has been made or is to be made by a person resident in or out of the Republic: Provided that the provisions of this paragraph shall not apply in respect of any amount which on or after the first day of July, 1962, is received by or accrues to any person (other than a company) who is not ordinarily resident in the Republic or any company which is not registered, managed or controlled in the Republic, in respect of the use (otherwise than for advertising purposes in connection with any motion picture film) in any printed publication of any copyright as aforesaid;";

- (b) by the insertion after paragraph (d) of the following paragraph:

"(d)bis any service rendered or work or labour done by such person outside the Republic, during any temporary absence of such person from the Republic, if such person is ordinarily resident in the Republic and such service is rendered or such work or labour is done for or on behalf of any employer by whom such person is employed in the Republic, whether the payment for such service or work or labour is or is to be made by a person resident in or out of the Republic and wheresoever payment for such service or work or labour is or is to be made;";

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

"(h) a judicial order or written agreement of separation or an order of divorce, if the taxable income of such person's spouse or former spouse has been reduced by such amount in terms of section

twenty-one, wheresoever such judicial order or order of divorce was granted or such agreement was made or such amount is paid or payable and whether such person's spouse or former spouse is resident in or out of the Republic;"; and

- (d) by the addition of the following sub-sections, the existing section becoming sub-section (1):

"(2) Any interest which has been received by or has accrued to any person in respect of any loan to or deposit in any building society registered under the Building Societies Act, 1934 (Act No. 62 of 1934), or any dividend or share of profits distributed by any such society which has been received by or has accrued to any person, 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.

(3) 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 company which is registered, managed or controlled in the Republic, in respect of any loan to or deposit in any banking institution registered under the Banking Act, 1942 (Act No. 38 of 1942), or any similar institution, whether or not registered, managed or controlled in the Republic, shall be deemed to have been derived from a source within the Republic, wheresoever such loan or deposit is made or held or such interest is payable."

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

Amendment of
section 10 of
Act 58 of 1962.

- (a) by the deletion at the end of sub-paragraph (i) of paragraph (c) of sub-section (1) of the word "and", the addition at the end of sub-paragraph (ii) of that paragraph of the word "and", and the addition to that paragraph of the following sub-paragraph:

"(iii) any domestic or private servant of any person referred to in sub-paragraph (ii) in respect of domestic or private services rendered or to be rendered by such servant to such person if such servant is not a South African citizen and is not ordinarily resident in the Republic;"; and

- (b) by the addition to the said sub-section of the following paragraphs:

"(u) any amount received by or accrued to any person from such person's spouse or former spouse by way of alimony or allowance or maintenance of such person or any children under an order of judicial separation or divorce granted in consequence of proceedings instituted after the twenty-first day of March, 1962, or under any agreement of separation entered into after that date;

(v) interest received by or accrued to any person (other than a company) who is ordinarily resident in the territory of South-West Africa (including the Eastern Caprivi Zipfel referred to in section *three* of the South-West Africa Affairs Amendment Act, 1951 (Act No. 55 of 1951)) or any company which is managed and controlled in that territory, in respect of any loan to or deposit in any building society registered under the Building Societies Act, 1934 (Act No. 62 of 1934), made through any branch or agency of such society in that territory, or any dividend or share of profits distributed by any such society to any such person or company in respect of any share in such society applied or subscribed for by such person or company through any such branch or agency;

(w) interest received by or accrued to any person (other than a company) who is ordinarily resident in the Republic or any company which is registered, managed or controlled in the Republic, in respect of any loan to or deposit in any banking institution registered under the Banking Act, 1942 (Act No. 38 of 1942), or any similar

institution, whether or not registered, managed or controlled in the Republic, if it is proved to the satisfaction of the Commissioner—

- (i) that such loan or deposit has been made through and retained in a branch of such institution outside the Republic; and
- (ii) that such loan or deposit has been made for the purposes of any business carried on by such person or company outside the Republic; and
- (iii) that the said interest is subject to the payment of income tax by such person or company under the laws of the country within which such loan or deposit is retained;
- (x) so much of any amount referred to in paragraph (i) or (iii) of the proviso to paragraph (c) of the definition of "gross income" in section *one* or in paragraph (d) of the said definition as does not exceed four thousand rand less the sum of any other amounts which have been excluded from the taxpayer's income by virtue of the exemption conferred by this paragraph, whether in the current or any previous year of assessment."

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

Amendment of
section 11 of
Act 58 of 1962.

- (a) by the deletion in paragraph (e) of the words "(less any deduction under sub-section (1) of section *twelve* or under that sub-section as applied by sub-section (3) of the said section, or under the corresponding provisions of any previous Income Tax Act)", and the addition to the proviso to the said paragraph of the following paragraph:
 - "(vi) the value of any machinery, implements, utensils or articles used by the taxpayer for the purposes of his trade shall be reduced by the amount of any deduction made under sub-section (1) of section *twelve* or under that sub-section as applied by sub-section (3) of the said section, or under the corresponding provisions of any previous Income Tax Act;"
- (b) by the insertion after sub-paragraph (ii) of paragraph (f) of the following sub-paragraph:
 - (ii)*bis* the right of use of any motion picture film or any sound recording or advertising matter connected with such film, if such film, sound recording or advertising matter is used for the production of income or income is derived therefrom; or";
- (c) by the insertion in sub-paragraph (iv) of the said paragraph after the word "such" of the words "film, sound recording, advertising matter,";
- (d) by the insertion in paragraph (aa) of the proviso to the said paragraph after the expression "(ii)" of the expression "(ii)*bis*";
- (e) by the insertion in paragraph (cc) of the said proviso after the word "such" where it occurs for the second time of the words "film, sound recording, advertising matter,";
- (f) by the deletion at the end of paragraph (ii) of the proviso to paragraph (g) of the word "and", and the addition to the said proviso of the following paragraph:
 - "(iv) the aggregate of the allowances under this paragraph in respect of any building or improvements referred to in sub-section (1) or (4) of section *thirteen* shall not exceed the cost (after the deduction of any amount which has been set off against the cost of such building or improvements under sub-section (3) of that section) to the taxpayer of such building or improvements less the aggregate of the allowances in respect of such building or improvements made to the taxpayer under either of the said sub-sections or the corresponding provisions of any previous Income Tax Act."; and
- (g) by the substitution in paragraph (r) for the words "any donation" of the words "the sum of any donations", and the substitution in that paragraph for the expression "1962" of the expression "1963".

10. (1) The following section is hereby inserted in the principal Act after section *eleven*: Insertion of section 11*bis* in Act 58 of 1962.

“Exporters’ allowance.

11*bis*. (1) For the purposes of this section—

- (i) ‘associated companies’ means companies which in the opinion of the Commissioner are managed or controlled directly or indirectly by substantially the same persons; (viii)
- (ii) ‘basic export turnover’, in relation to any year of assessment, means the export turnover of the taxpayer for the immediately preceding year of assessment: Provided that if the export period falling within any year of assessment is longer or shorter than the export period falling within the immediately preceding year of assessment, the taxpayer’s basic export turnover in relation to the year of assessment in question shall be deemed to be an amount which bears to his export turnover for the last-mentioned export period the same ratio as the first-mentioned export period bears to the last-mentioned export period; (i)
- (iii) ‘current export turnover’, in relation to any year of assessment, means the export turnover of the taxpayer for that year; (iii)
- (iv) ‘exported’ means sold and consigned to any purchaser at any address in any country other than the Republic, the territory of South-West Africa (including the Eastern Caprivi Zipfel referred to in section *three* of the South-West Africa Affairs Amendment Act, 1951 (Act No. 55 of 1951)), the Bechuanaland Protectorate, Basutoland or Swaziland, or delivered to the owner or charterer of any ship or aircraft for use in such ship or aircraft outside the Republic, the said territory, the said Protectorate, Basutoland and Swaziland; (iv)
- (v) ‘exporters’ allowance’ means the allowance under this section; (v)
- (vi) ‘export period’ means any period during which any taxpayer carries on any trade in the course of which goods are exported or during which orders are actively solicited in any country referred to in the definition of ‘exported’ in this sub-section; (vii)
- (vii) ‘export turnover’ means the sum of—
 - (a) the income derived by the taxpayer from the disposal of goods which have been exported by him in the course of any trade carried on by him in the Republic, less so much of such income as the Commissioner is satisfied has under any agreement, scheme or arrangement been passed on in any form to any other person in such manner that the taxpayer has not derived or will not derive any substantial benefit from the amount so passed on; and
 - (b) the amounts for which the taxpayer has on behalf of other persons in the course of any trade carried on by him in the Republic disposed of goods which have been exported by such persons or by the taxpayer on their behalf, less any portion of any such amount in respect of which no income has been received by or has accrued to the taxpayer in the form of commission or other remuneration at the prevailing rate for the goods in question, or, in respect of which such income has been so received by or has so accrued to the taxpayer but has been passed on in any form to any other person in such manner that the taxpayer has not derived or will not derive any substantial benefit from the amount so passed on; (vi)

(viii) 'goods' means anything (excluding specie, gold and silver bullion and uncut diamonds, not being manufactured diamonds, but including pastoral, agricultural and other farming produce) which has been produced in the Republic or which has undergone in the Republic any process of manufacture or any other process which in the opinion of the Commissioner is of a similar nature. (ii)

(2) If in relation to any year of assessment the taxpayer's current export turnover exceeds his basic export turnover and the taxpayer has during such year 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): Provided that for the purposes of this sub-section and sub-section (3) an associated company's current export turnover shall be deemed not to have exceeded its basic export turnover if the sum of the current export turnovers of all the associated companies of which that company is one did not exceed the sum of their respective basic export turnovers.

(3) Where in relation to any year of assessment the taxpayer—

- (a) has a current export turnover but no basic export turnover, or, if he has both a current export turnover and a basic export turnover and the former exceeds the latter by not more than ten per cent of that basic export turnover, the exporters' allowance shall be an amount equal to twenty-five per cent of the market development expenditure incurred by the taxpayer during the year of assessment, determined as provided in sub-section (4); or
- (b) has a current export turnover and a basic export turnover, the former exceeding the latter by more than ten per cent but not more than twenty-five per cent of that basic export turnover, the exporters' allowance shall be an amount equal to thirty-seven and a half per cent of the said market development expenditure; or
- (c) has a current export turnover and a basic export turnover the former exceeding the latter by more than twenty-five per cent of that basic export turnover, the exporters' allowance shall be an amount equal to fifty per cent of the said market development expenditure:

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.

(4) For the purposes of sub-section (3) the market development expenditure on which the exporters' allowance is to be calculated shall be the sum of so much of the expenditure incurred by the taxpayer and allowed to be deducted from his income under sections *eleven* and *seventeen* as is proved to the satisfaction of the Commissioner to have been incurred directly—

- (a) in research into or obtaining information (including the remuneration of consultants, agents or representatives) in regard to the marketing of goods in any country other than the Republic, the territory of South-West Africa (including the Eastern Caprivi Zipfel referred to in section *three* of the South-West Africa Affairs Amendment Act, 1951 (Act No. 55 of 1951)), the Bechuanaland Protectorate, Basutoland or Swaziland;

- (b) in advertising or otherwise securing publicity in such country, soliciting orders therein or participating in overseas trade fairs;
- (c) in providing without charge samples or technical information to prospective customers in any such country;
- (d) in bringing prospective buyers from any such country to the Republic;
- (e) in connection with the preparation or submission of tenders or quotations in respect of goods to be exported to any such country; and
- (f) in respect of commission or other remuneration in respect of the sale of goods exported to any such country and the appointment of agents in any such country.

(5) Any decision of the Commissioner in the exercise of his discretion under the provisions of this section shall be subject to objection and appeal."

(2) The amendment effected by sub-section (1) shall first take effect in respect of assessments for the year of assessment ending the thirtieth day of June, 1963.

11. Section *twelve* of the principal Act is hereby amended by the substitution in sub-section (2) for the expression "1963" of the expression "1965". Amendment of section 12 of Act 58 of 1962.

12. Section *thirteen* of the principal Act is hereby amended— Amendment of section 13 of Act 58 of 1962.

- (a) by the addition to sub-section (1) of the following proviso:

"Provided that no allowance shall be made under this sub-section in respect of such portion of the cost of any building the erection of which was commenced on or after the first day of July, 1961, or any improvements effected thereto, as has been taken into account in the calculation of any allowance to the taxpayer under paragraph (g) of section *eleven*, whether in the current or any previous year of assessment.";

- (b) by the addition to sub-section (2) of the words "less the aggregate of any allowances made to the taxpayer in respect of such building or improvements under paragraph (g) of section *eleven*, or the corresponding provisions of any previous Income Tax Act";
- (c) by the insertion in sub-section (3) after the word "building," where it occurs for the first time of the words "such portion of", after the word "recouped" where it occurs for the second time of the words "as is set off against the cost of a further building as hereinafter provided," and after the word "against" of the words "so much of";
- (d) by the addition to the said sub-section of the words "as remains after the deduction of any portion of such cost in respect of which an allowance has been granted to the taxpayer under paragraph (g) of section *eleven* whether in the current or any previous year of assessment";
- (e) by the deletion in sub-section (5) of the expressions "owned by him" and "owned by the taxpayer" wherever they occur and the addition to that sub-section of the following proviso:
"Provided that no allowance shall be made under this sub-section in respect of any building or improvements on any premises not owned by the taxpayer unless the taxpayer at the date on which the erection of such building or the introduction of such improvements is commenced is entitled to the occupation of such premises for a period ending not less than ten years after such date.";
- (f) by the substitution in paragraph (b) of the said sub-section for the expression "1962" wherever it occurs of the expression "1965"; and
- (g) by the substitution in sub-section (6) for the expression "1964" of the expression "1966".

13. Section *fourteen* of the principal Act is hereby amended by the insertion after the expression "paragraph (c)" wherever it occurs of the expression "of sub-section (1)". Amendment of section 14 of Act 58 of 1962.

14. The following section is hereby substituted for section *seventeen* of the principal Act:

Substitution of section 17 of Act 58 of 1962.

"Deduction of expenses incurred in appointing agents to sell goods manufactured in the Republic. 17. There shall be allowed to be deducted from the income of any taxpayer who in the course of any trade (other than mining or farming) carried on by him in the Republic manufactures goods or who is authorized by any other person to sell or to obtain orders for the purchase of any goods so manufactured by such other person, any expenditure actually incurred by him during the year of assessment in connection with the appointment of any agent outside the Republic for the sale of such goods to persons outside the Republic or for the obtaining from such persons of orders for the purchase of such goods."

15. Section *nineteen* of the principal Act is hereby amended by the substitution in the heading to the table in sub-section (3) for the expression "and sub-section (2)" of the expression "sub-section (2) and section *twenty*".

Amendment of section 19 of Act 58 of 1962.

16. The following section is hereby substituted for section *twenty-one* of the principal Act:

Substitution of section 21 of Act 58 of 1962.

"Deduction of alimony, allowance or maintenance. 21. The taxpayer shall have his taxable income reduced by so much of any amount payable by him to or on behalf of his spouse or former spouse under any order of divorce or judicial separation granted in consequence of proceedings instituted not later than the twenty-first day of March, 1962, or under any written agreement of separation entered into not later than that date, by way of alimony or allowance or maintenance of his spouse or former spouse and any children, as the Commissioner is satisfied has been or will in respect of the year or period of assessment in question be paid out of the taxable income of the taxpayer: Provided that for the purposes of this section any order of divorce or judicial separation which supersedes such order of judicial separation or written agreement of separation and does not vary the amount of alimony, allowance or maintenance payable thereunder, shall not affect the rights which any person may have under this section, and in the case of any such person and the spouse or former spouse of such person the provisions of this Act shall apply as if the amendments introduced by paragraph (h) of section *three* of the Income Tax Amendment Act, 1962, and by sections *four*, *five* and *twenty-six* of that Act had not been effected, and as if the provisions of paragraph (u) of sub-section (1) of section *ten* had not been enacted."

17. Section *twenty-eight* of the principal Act is hereby amended by the deletion of the second proviso to paragraph (e) of sub-section (2).

Amendment of section 28 of Act 58 of 1962.

18. Section *twenty-nine* of the principal Act is hereby amended by the addition of the following proviso:

Amendment of section 29 of Act 58 of 1962.

"Provided that for the purposes of this section the holder of any office of profit under the Republic shall be deemed to be employed in the public service of the Republic."

19. Section *thirty-four* of the principal Act is hereby repealed.

Repeal of section 34 of Act 58 of 1962.

20. Section *thirty-five* of the principal Act is hereby amended—

Amendment of section 35 of Act 58 of 1962.

- (a) by the insertion in sub-section (1) after the expression "paragraph (b)" of the expression "of sub-section (1)"; and
- (b) by the insertion in paragraph (a) of sub-section (2) after the expression "paragraph (b)" of the expression "of sub-section (1)", and the addition to the proviso to that paragraph of the following paragraph:
 - "(iii) this paragraph shall not be construed as requiring any person to make a tax payment in terms of this paragraph in respect of any liability to pay any amount in respect of the use in the Republic of or the grant of permission to use in the Republic

lic, or the imparting of or the undertaking to impart any knowledge directly or indirectly connected with the use in the Republic of any motion picture film or any sound recording or advertising matter used or intended to be used in connection with such film, if such liability was incurred and discharged before the commencement of the Income Tax Amendment Act, 1962.”.

21. Section *thirty-eight* of the principal Act is hereby amended by the deletion at the end of paragraph (g) of sub-section (2) of the word “and”, the addition at the end of paragraph (h) of the said sub-section of the word “and”, and the addition to the said sub-section of the following paragraph:

Amendment of section 38 of Act 58 of 1962.

“(i) any unit portfolio referred to in paragraph (e) of the definition of ‘company’ in section *one*.”.

22. Section *forty-nine* of the principal Act is hereby amended by the insertion in the definition of “paid up capital” after the expression “(g)” of the expression “or (h)”.

Amendment of section 49 of Act 58 of 1962.

23. Section *fifty* of the principal Act is hereby amended—

Amendment of section 50 of Act 58 of 1962.

(a) by the substitution in paragraph (b) for the expression “*thirty-four*” of the expression “*thirty-five*”;

(b) by the insertion in paragraph (f) after the expression “(g)” of the expression “or (h)”;

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

“(i) any company all of whose equity shares were throughout the specified period held by the Government or by one or more of the following classes of shareholders, namely—

(i) public companies;

(ii) companies which are themselves exempt from this tax in terms of this section excluding paragraphs (f) and (g);

(iii) benefit funds, pension funds, provident funds or retirement annuity funds,

or any company all of whose equity shares were throughout the specified period held partly by one or more of the said classes of shareholders and partly by shareholders not falling within any of the said classes if the Commissioner is satisfied that such company would have been recognized as a public company for the year of assessment in question if the equity shares held by shareholders not falling within any of the said classes had represented such company’s total share capital.”.

24. Section *fifty-two* of the principal Act is hereby amended by the insertion in paragraph (b) of sub-section (1) after the expression “(g)” of the expression “or (h)”.

Amendment of section 52 of Act 58 of 1962.

25. Section *sixty-one* of the principal Act is hereby amended by the addition of the following paragraphs:

Amendment of section 61 of Act 58 of 1962.

“(f) the reference in sub-section (1) *bis* of section *ninety-five* to the income received by or accrued to any deceased person during his lifetime shall be deemed to include a reference to any property disposed of by the deceased person under any donation during his lifetime, and the reference in the said sub-section to income received by or accrued to or in favour of a representative taxpayer beneficially shall be deemed to include a reference to property disposed of by the representative taxpayer in his own right under a donation;

(g) the reference in sub-section (2) of section *ninety-six* to the taxable income of any deceased person shall be deemed to include a reference to the cumulative taxable value of all property disposed of by such person under donations.”.

26. Section *sixty-eight* of the principal Act is hereby amended by the substitution for sub-section (1) of the following sub-section:

Amendment of section 68 of Act 58 of 1962.

“(1) The income received by or accrued to or in favour of a woman married with or without community of property and not separated from her husband under a written agreement of separation entered into on or before the twenty-first day of March, 1962, or under any judicial order, shall be included by him in returns of income

required to be rendered by him under this Act: Provided that—

- (i) in the case of spouses who have been separated under a written agreement of separation entered into after the said date; or
- (ii) if either spouse makes written application therefor to the Commissioner, and the Commissioner considers it desirable; or
- (iii) if in any other case the Commissioner considers it desirable,

returns of income shall be required to be rendered by both spouses separately.”.

27. Section *ninety-five* of the principal Act is hereby amended by the insertion after sub-section (1) of the following sub-section: Amendment of section 95 of Act 58 of 1962.

“(1)*bis* Every representative taxpayer referred to in paragraph (e) of the definition of ‘representative taxpayer’ in section *one* shall as regards the income received by or accrued to any deceased person during his lifetime be subject in all respects to the same duties, responsibilities and liabilities as if the income were income received by or accrued to or in favour of him beneficially and shall be liable to assessment in his own name in respect of that income, but any such assessment shall be deemed to be made upon him in his representative capacity only.”.

28. Section *ninety-six* of the principal Act is hereby amended by the addition of the following sub-section, the existing section becoming sub-section (1): Amendment of section 96 of Act 58 of 1962.

“(2) Every representative taxpayer referred to in paragraph (e) of the definition of “representative taxpayer” in section *one* who as such pays any tax in respect of the taxable income of any deceased person shall be entitled to recover the amount so paid from the estate of such deceased person or to retain out of any moneys of the estate of such deceased person that may be in his possession or that may come to him as executor of such estate, an amount equal to the amount so paid.”.

29. Section *one hundred and one* of the principal Act is hereby amended— Amendment of section 101 of Act 58 of 1962.

(a) by the insertion in sub-section (1) after the word “Republic” of the words “and every unit portfolio constituting a company in terms of paragraph (e) of the definition of ‘company’ in section *one*,”;

(b) by the addition to sub-section (2) of the following proviso:

“Provided further that in the case of any unit portfolio referred to in sub-section (1) the public officer of the relevant management company shall be the public officer except in the event of the winding up of the management company, in which event the trustee under the relevant unit trust scheme shall be the public officer.”;

(c) by the addition to sub-section (5) of the following provisos:

“Provided that in the case of any unit portfolio referred to in sub-section (1) the place at which any such notice or other document may be served or delivered or to which any such notice or document may be sent shall be the place appointed by the relevant management company in regard to any notice or other document affecting itself, or, in the event of the trustee under the relevant unit trust scheme becoming the public officer, the place within the Republic appointed by the trustee and approved by the Commissioner: Provided further that such trustee shall appoint such place within one month after becoming the public officer.”; and

(d) by the addition to sub-section (7) of the words “and every trustee referred to in sub-section (5) shall at all times maintain a place for the service or delivery of such notices and shall within fourteen days of any change of such place taking effect notify the Commissioner thereof.”.

30. Section *one hundred and six* of the principal Act is hereby amended by the insertion in sub-paragraph (ii) of paragraph (d) of sub-section (2) after the word "*one*" where it occurs for the second time of the words "or, in the case of any unit portfolio referred to in paragraph (e) of the definition of 'company' in section *one*, the public officer of which is the trustee referred to in the said sub-section (5), by such trustee," and after the word "company" where it occurs for the second time and where it occurs for the third time of the words "or trustee, as the case may be,".

Amendment of
section 106 of
Act 58 of 1962.

31. The Second Schedule to the principal Act is hereby amended—

Amendment of
2nd Schedule to
Act 58 of 1962.

- (a) by the substitution in the definition of "formula B" in paragraph 1 for the expression " $Z = C - D$ " of the expression " $Z = C + E - D$ ", the deletion at the end of paragraph (b) of that definition of the word "and", the addition at the end of paragraph (c) of that definition of the word "and", and the addition to that definition of the following paragraph:
 "(d) 'E' represents the sum of the taxpayer's own contributions to any provident funds of which he is or was a member and from which any lump sum benefits were or may be derived in consequence of or following upon his retirement or death on or after the fifteenth day of March, 1961, including so much of the amounts paid into such funds for his benefit by other provident funds as represented his own contributions to such other funds;"
- (b) by the insertion in the definition of "pension fund" in paragraph 1 after the word "law" of the words "or for the benefit of employees of any local authority";
- (c) by the addition to item (b) of sub-paragraph (2) of paragraph 5 of the words "or, if such benefits consist of or include benefits from any provident fund, the greater of the following amounts, namely ten thousand rand or an amount equal to twice so much of the salary actually earned by the taxpayer during the period of twelve months ending at his death from the employer by whom he was employed during his membership of such fund, as does not exceed ten thousand rand;"
- (d) by the deletion of item (c) of the said sub-paragraph; and
- (e) by the substitution in sub-paragraph (3) of paragraph 5 for the words following the word "question" of the words "and that until that date he will continue to be employed on the scale of salary at which he is employed at the date on which the determination is made, and, in regard to any provident fund, will continue to contribute to such fund at the rate at which he is contributing at the last-mentioned date."

32. (1) For the purposes of any assessment under the Income Tax Act, 1941 (Act No. 31 of 1941), in respect of the year of assessment ended the thirtieth day of June, 1961, the provisions of paragraph (b) *ter* of the definition of "gross income" in section *seven* of that Act, as substituted by paragraph (b) of section *five* of the Income Tax Act, 1961 (Act No. 80 of 1961), shall not apply in respect of any amount which is received by or accrues to or is deemed to have been received by or to have accrued to any person prior to the fifteenth day of March, 1961, and the provisions of the said paragraph (b) *ter* as they were in force prior to the amendment effected by the said paragraph (b) shall be deemed to apply in respect of any such amount.

Construction
of paragraph
(b) *ter* of
definition of
"gross income" in
section 7 of
Act 31 of 1941,
for purposes
of assessments
for year ended
30th June, 1961.

(2) The provisions of sub-section (1) shall be deemed to have taken effect in respect of all assessments in respect of the year of assessment ended the thirtieth day of June, 1961.

33. For the purposes of any assessment under the Income Tax Act, 1941 (Act No. 31 of 1941), any amount of interest which has been received by or has accrued to any person (other than a company) who is ordinarily resident in the Republic or the territory of South-West Africa (including the Eastern Caprivi Zipfel referred to in section *three* of the South-West Africa Affairs Amendment Act, 1951 (Act No. 55 of 1951)) or any company which is registered, managed or controlled in the Republic or the said territory, in respect of any loan to or deposit in any building society registered under the Building Societies Act, 1934 (Act No. 62 of 1934), or the amount of any dividend or share of profits distributed by any such society which has been received by or has accrued to any such person

Interest on loans
to or deposits and
dividends on shares
in building societies
registered in the
Republic, accruing
to certain persons
in South-West
Africa, deemed
for purposes of
assessments under
Act 31 of 1941
not to have been
derived from any
source in the
Republic.

or company, shall, if such loan or deposit was made through any branch or agency of that society in the said territory or if the shareholding to which such dividend or share of profits relates was acquired through any such branch or agency, be deemed not to have been derived from any source within the Republic: Provided that if any such amount has been subjected to tax and the assessment in respect of that amount has in terms of sub-section (7) of section *seventy-seven* of the said Act become final and conclusive, the Commissioner shall not be required to discharge or amend such assessment nor to refund any amount of tax which has been paid in respect of the amount so subjected to tax.

34. (1) For the purposes of any assessment under the Income Tax Act, 1941 (Act No. 31 of 1941), in respect of the taxable income derived by any person from the carrying on in the Republic of short-term insurance business as defined in section *eighteen* of that Act—

Construction of paragraph (v) of sub-section (2) of section 18 of Act 31 of 1941 for purposes of assessments under that Act.

- (a) the provisions of paragraph (v) of sub-section (2) of the said section shall be applied as though the second proviso to that paragraph had not been enacted; and
- (b) if the taxpayer has in respect of any year of assessment prior to the year of assessment ended the thirtieth day of June, 1961, claimed as a deduction in the determination of the taxable income so derived by him any amount in respect of claims intimated to him but not yet paid by him and the Commissioner has in any assessment of that taxable income allowed the amount so claimed as a deduction, the Commissioner shall not in respect of that amount raise any further assessment under section *sixty-six* of that Act: Provided that any such amount shall be included in the income of the taxpayer for the next succeeding year of assessment under the said Act.

(2) The provisions of paragraph (a) of sub-section (1) shall be deemed to have taken effect in respect of all assessments in respect of the year of assessment ended the thirtieth day of June, 1961, and the provisions of paragraph (b) of the said sub-section shall be deemed to have taken effect on the first day of July, 1960.

35. For the purposes of any assessment under the Income Tax Act, 1941 (Act No. 31 of 1941), in respect of any amount received by or accrued to or deemed to have been received by or to have accrued to any person, the amendments effected by section *thirty-one* to the Second Schedule to the principal Act shall be deemed also to have been effected to the corresponding provisions of the Fourth Schedule to the first-mentioned Act.

Fourth Schedule to Act 31 of 1941 deemed for purposes of assessments under that Act to have been amended.

36. (1) Every person who on the thirty-first day of August, 1962, is an employer or representative employer shall not later than the thirtieth day of September, 1962, and every person who after the first-mentioned date becomes an employer or representative employer shall within fourteen days after becoming an employer or representative employer, or in any such case within such further period as the Commissioner for Inland Revenue (hereinafter referred to as "the Commissioner") may approve, furnish to the Commissioner a declaration in such form as the Commissioner may prescribe which shall contain such information as the Commissioner may for any purpose require in regard to the business or other undertakings of the employer or the representative employer in his representative capacity, the persons to whom the employer or the representative employer in his representative capacity pays or is liable to pay remuneration, and the nature, place and manner of payment of such remuneration.

Declarations to be made by employers and representative employers, and penalty on default.

(2) Every employer or representative employer who has furnished a declaration in terms of sub-section (1) shall within fourteen days after changing his address or of his ceasing to be an employer or representative employer, as the case may be, notify the Commissioner of his new address or of the fact of his having ceased to be an employer or representative employer, as the case may be.

(3) The Commissioner may by notice in writing require any person to furnish such information as he may require in regard to the matters referred to in sub-section (1), whether or not such person is an employer or a representative employer.

(4) Any person who fails or neglects to furnish a declaration to the Commissioner as and when required by sub-section (1), or to notify the Commissioner of any change of address or of the fact of his having ceased to be an employer or representative employer as and when required by sub-section (2), or without just cause shown by him refuses or neglects to furnish any information or reply as and when required by the Commissioner under sub-section (3), shall be guilty of an offence and liable on conviction to a fine not exceeding one hundred rand or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment.

(5) For the purposes of this section—

- (i) "employer" means any person (including any person acting in a fiduciary capacity or in his capacity as a trustee in an insolvent estate, an executor in a deceased estate, an administrator of a benefit fund, pension fund, provident fund, retirement annuity fund or any other fund, but not including any person acting as an employee of another person) who pays or is liable to pay to any person (other than a "company" as defined in section *one* of the principal Act) any amount by way of remuneration, and every company defined as aforesaid; (iii)
- (ii) "remuneration" means any salary, allowance, wage, overtime pay, bonus, gratuity, commission, fee, emolument, pension, superannuation allowance, retiring allowance or stipend, whether in cash or otherwise, and whether or not in respect of services rendered, including—
 - (a) any amount referred to in paragraph (a), (c), (d), (e) or (f) of the definition of "gross income" in section *one* of the principal Act;
 - (b) any benefit or advantage referred to in paragraph (i) of that definition, but not including—
 - (c) any amount paid or payable to any person in respect of services rendered or to be rendered by such person as a domestic or private servant or farm labourer if such amount is calculated at a rate not exceeding four hundred and eighty rand per annum;
 - (d) any amount paid or payable in respect of services rendered or to be rendered by any person (other than a person who is not ordinarily resident in the Republic) in the course of any profession, trade or business carried on by him independently of the person by whom such amount is paid or payable;
 - (e) any amount paid or payable to any Bantu person in respect of services rendered or to be rendered by such Bantu person if such amount is calculated at a rate not exceeding six hundred rand per annum;
 - (f) any amount paid or payable to any employee wholly in reimbursement of expenditure actually incurred by such employee in the course of his employment; (i)
- (iii) "representative employer" means—
 - (a) in the case of any "company" as defined in section *one* of the principal Act, the public officer thereof appointed under section *one hundred and one* of that Act, or, in the event of such company being placed in liquidation or under judicial management, the liquidator or judicial manager, as the case may be; or
 - (b) in the case of any divisional council, municipal council, village management board or like authority, or any body corporate or unincorporate (other than a company defined as aforesaid or a partnership), any manager, secretary, officer or other person responsible for paying remuneration on behalf of such council, board, authority or body; or
 - (c) in the case of a person under legal disability, any guardian, curator, administrator or other

- person having the management or control of the affairs of the person under legal disability; or
- (d) in the case of any employer who is not ordinarily resident in the Republic, any agent of such employer having authority to pay remuneration.
- (ii)

(6) The Commissioner may before the thirty-first day of August, 1962, and thereafter at such times as he may decide issue a public notice drawing attention to the provisions of this section.

37. Except where otherwise provided the amendments effected by this Act to the principal Act shall first take effect in respect of assessments for the year of assessment ending the thirtieth day of June, 1962.

Commencement
of certain
amendments.

38. This Act shall be called the Income Tax Amendment Act, Short title. 1962.

Schedule.

RATES OF NORMAL TAX FOR THE YEAR ENDING THE THIRTIETH DAY OF JUNE 1962.

(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:

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 in- come exceeds R8,000; |

| Taxable Income. | Rates of Tax in Respect of Married Persons. |
|---|--|
| Where the taxable income— exceeds R10,000, but does not exceed 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; |
| " R16,000, " " 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 paragraphs.