

No. 90, 1964.]

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 payable by persons other than companies in respect of the years of assessment ending the twenty-eighth day of February, 1965, and the thirtieth day of June, 1965, and by companies in respect of years of assessment ending during the period of twelve months ending the thirty-first day of December, 1964, 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 Income Tax Act, 1962.

*(Afrikaans text signed by the State President.)
(Assented to 24th June, 1964.)*

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 any year of assessment ending—

- (a) in the case of any person other than a company, on the twenty-eighth day of February, 1965, or the thirtieth day of June, 1965; and
- (b) in the case of any company, during the period of twelve months ending on the thirty-first day of December, 1964,

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

2. (1) 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 equal to one-sixth of any amount of tax determined in accordance with item (b) 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.

(2) The provisions of this section shall be deemed to have come into operation on the first day of March, 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-eighth day of February, 1965, or the thirtieth day of June, 1965, 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 item (a) of paragraph 1 of the Schedule to this Act had not been enacted.

Calculation of provincial income taxes in respect of year of assessment ending 28th February, 1965, or 30th June, 1965.

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

- (a) by the insertion after the definition of "benefit fund" of the following definition:

"'child', in relation to any person, includes any person adopted by him—

- (a) under the provisions of the Adoption of Children Act, 1923 (Act No. 25 of 1923), or

Amendment of section 1 of Act 58 of 1962, as amended by section 3 of Act 90 of 1962, section 1 of Act 6 of 1963 and section 4 of Act 72 of 1963.

the Children's Act, 1937 (Act No. 31 of 1937), or the Children's Act, 1960 (Act No. 33 of 1960); or

- (b) under the law of any country other than the Republic, provided the adopted person is under such law accorded the status of a legitimate child of the adoptive parent and the adoption was made at a time when the adoptive parent was ordinarily resident in such country;";
- (b) by the deletion of the definition of "Commissioner";
- (c) by the insertion after the definition of "regulation" of the following definition:
 "‘relative’, in relation to any person, means the spouse of such person or anybody related to him or his spouse within the third degree of consanguinity, or any spouse of anybody so related, and for the purpose of determining the relationship between any child referred to in the definition of ‘child’ in this section and any other person, such child shall be deemed to be related to its adoptive parent within the first degree of consanguinity;";
- (d) by the substitution in sub-paragraph (i) of paragraph (b) of the definition of "retirement annuity fund" for the words "and for additional" of the word "or";
- (e) by the insertion after the definition of "scientific research" of the following definition:
 "‘Secretary’ means the Secretary for Inland Revenue;"; and
- (f) by the substitution for the definition of "year of assessment" of the following definition:
 "‘year of assessment’ means any year or other period in respect of which any tax or duty leviable under this Act is chargeable, and any reference in this Act or any other Income Tax Act to any year of assessment ending the last or the twenty-eighth or the twenty-ninth day of February shall, unless the context otherwise indicates, be construed—
 (a) in the case of a company, as a reference to any financial year of that company ending during the calendar year in question; and
 (b) in the case of any person (other than a company) whose year of assessment ends on the thirtieth day of June of the calendar year in question, as a reference to such year of assessment."

5. Section five of the principal Act is hereby amended by the substitution for sub-section (1) of the following sub-section:

Amendment of section 5 of Act 58 of 1962, as substituted by section 2 of Act 6 of 1963.

"(1) Subject to the provisions of the Fourth Schedule there shall be paid annually for the benefit of the Consolidated Revenue Fund, an income tax (in this Act referred to as the normal tax) in respect of the taxable income received by or accrued to or in favour of—

- (a) any person during the year of assessment ended the thirtieth day of June, 1962;
- (b) any person who on the twenty-eighth day of February, 1963, carried on farming, fishing or diamond digging operations and who under the provisions of sub-paragraph (2) of paragraph 18 of the Fourth Schedule made an election not to be a provisional taxpayer—
 (i) during the year of assessment ended the thirtieth day of June, 1963, and each succeeding year of assessment during which such election remains in force; and
 (ii) during the period of eight months ending the last day of February immediately succeeding the last year of assessment referred to in sub-paragraph (i) during which any such election which has lapsed was in force; and

- (iii) during the year of assessment commencing immediately after the said last day of February, and each succeeding year of assessment;
 - (c) any person (other than a person referred to in paragraph (b) or a company) in respect of—
 - (i) the period of eight months ended the twenty-eighth day of February, 1963;
 - (ii) the year of assessment ended the last day of February, 1964, and each succeeding year of assessment; and
 - (d) any company during every financial year of such company.”.
6. (1) Section *eight* of the principal Act is hereby amended—
- (a) by the insertion in paragraph (a) of sub-section (4) after the word “*eleven*” where it occurs for the second time of the words “*section eleven quin.*”; and
 - (b) by the deletion in paragraph (e) of that sub-section of the words “*by water or fire*”.
- (2) The amendment effected by paragraph (a) of sub-section (1) shall apply in respect of assessments for years of assessment ending on or after the first day of May, 1964.
7. Section *nine* of the principal Act is hereby amended by the substitution for paragraph (e) of sub-section (1) of the following paragraph:
- “(e) any services rendered by such person to or work or labour done by such person for or on behalf of the Government, including the Railway Administration and any provincial administration, or any local authority in the Republic or the South African Tourist Corporation or the Council for Scientific and Industrial Research, notwithstanding that such services are rendered or that such work or labour is done outside the Republic, provided such services are rendered or such work or labour is done in accordance with a contract of employment entered into with the Government or such administration or local authority or that Corporation or that Council: Provided that nothing in this paragraph shall be construed as imposing liability for taxation under this Act upon any salary or emolument paid to any person in the employment of the Government, including the Railway Administration, in respect of any period for which such person is stationed in the territory of South-West Africa (excluding the Eastern Caprivi Zipfel referred to in section *three* of the South-West Africa Affairs Amendment Act, 1951 (Act No. 55 of 1951)).”.
8. Section *ten* of the principal Act is hereby amended with effect from the commencement of the year of assessment ended the twenty-ninth day of February, 1964—
- (a) by the substitution for paragraph (i) of sub-section (1) of the following paragraph:
 - “(i) interest received from any deposit in the Post Office Savings Bank, including interest on Post Office Savings Bank Certificates or on Tax Redemption Certificates, or annual interest accrued in respect of any Union Loan Certificates or National Savings Certificates, or interest received in respect of any loan portion of the normal and super tax imposed under the Income Tax Act, 1953, or any subsequent Act of Parliament, or annual interest accrued in respect of Five per cent Five Year Treasury Bonds, Five per cent Seven Year Treasury Bonds, Four and a half per cent Seven Year Treasury Bonds, Four and a half per cent Seven Year Treasury Bonds (Conversion Issue) and any amount credited as interest in respect of any subscription share, but not in respect of any amount paid or credited on any paid-up share in any building society: Provided that the exemption in respect of interest—
 - (i) on deposits in the Post Office Savings Bank and on Post Office Savings Bank Certificates made or held by any one person shall be limited in each case to the sum of one hundred rand;

Amendment of section 8 of Act 58 of 1962, as amended by section 6 of Act 90 of 1962.

Amendment of section 9 of Act 58 of 1962, as amended by section 7 of Act 90 of 1962 and section 6 of Act 72 of 1963.

Amendment of section 10 of Act 58 of 1962, as amended by section 8 of Act 90 of 1962 and section 7 of Act 72 of 1963.

- (ii) on Tax Redemption Certificates held by any one person shall be limited to the sum of fifty rand;
- (iii) on Five per cent Five Year Treasury Bonds, shall be limited to the sum of one thousand rand in the case of any taxpayer;
- (iv) on Five per cent Seven Year Treasury Bonds and Four and a half per cent Seven Year Treasury Bonds shall be limited to the sum of one thousand rand in the aggregate in the case of any taxpayer; and
- (v) on Four and a half per cent Seven Year Treasury Bonds (Conversion Issue) shall be limited to the sum of nine hundred rand in the case of any taxpayer; and
- (b) by the addition at the end of paragraph (t) of the said sub-section of the words "and of the South African Inventions Development Corporation".

9. Section eleven of the principal Act is hereby amended—
- (a) by the deletion in paragraph (iv) of the proviso to paragraph (e) of the words "by water or fire";
 - (b) with effect from the commencement of the year of assessment ended the twenty-ninth day of February, 1964, by the insertion after paragraph (r) of the following paragraph:

Amendment of section 11 of Act 58 of 1962, as amended by section 9 of Act 90 of 1962 and section 8 of Act 72 of 1963.

"(r) *bis* notwithstanding the provisions of section twenty-three, so much of the sum of any donations made on or after the sixteenth day of March, 1964, by a company during the year of assessment to the fund established under the National Study Loans and Bursaries Act, 1964, for the purpose of granting study loans or bursaries or both study loans and bursaries to students in need of financial assistance to enable them to continue or complete their studies at universities, declared institutions or vocational schools in the Republic, as does not exceed one per cent of the taxable income of such company as calculated before allowing any deduction under this paragraph;" and

- (c) with effect from the commencement of the year of assessment ended the twenty-ninth day of February, 1964, by the substitution for the word "bloedverwant" wherever it occurs in the Afrikaans version of paragraph (t) of the word "familielid".

10. (1) The following sections are hereby inserted in the principal Act after section eleven *bis*:

Insertion of sections 11ter, 11quat and 11quin in Act 58 of 1962.

"Allowance to manufacturers in Bantu and border areas in respect of the cost of power, water and transport. 11ter. (1) If the Minister of Finance, having regard to the circumstances of the case and to the recommendation of the Secretary for Bantu Administration and Development in the case of a Bantu area or the Secretary for Commerce and Industries in the case of an area adjoining a Bantu area, so directs, there shall, subject to the provisions of sub-section (2), be allowed to be deducted from the income of any taxpayer who carries on in a Bantu area or an area adjoining a Bantu area the trade of a manufacturer or any trade which in the opinion of the Secretary is of a similar nature, an allowance equal to ten per cent of any amount which is proved to the satisfaction of the Secretary to have been incurred by the taxpayer during the year of assessment directly in respect of—

- (a) the cost of electric power or water supplied to the taxpayer in the said area and used by him in the course of the said trade; or
- (b) the cost of the transportation in the Republic for the purposes of the said trade of raw materials, goods, animals or articles used by the taxpayer in the course of such trade or of goods or articles manufactured or produced by the taxpayer in the course of such trade,

provided such cost ranks for deduction from the taxpayer's income under the provisions of section *eleven*.

(2) (a) The allowance under sub-section (1) shall be made in respect of such year or years of assessment as the Minister of Finance, having regard to the circumstances of the case, may direct.

(b) No allowance shall be made under sub-section (1) in respect of the cost of electric power, water or transportation incurred before the first day of May, 1964.

Allowance to manufacturers in Bantu and border areas in respect of increased administrative and manufacturing costs.

11quat. (1) Subject to the provisions of sub-section (2), where any taxpayer has on or after the first day of May, 1964—

(a) transferred to any Bantu area or any area adjoining a Bantu area any factory formerly situated elsewhere than in such an area; or

(b) under any scheme of expansion of any factory situated elsewhere than in such an area, established any factory in such an area,

there shall, if the Minister of Finance, having regard to the circumstances of the case and to the recommendation of the Secretary for Bantu Administration and Development in the case of a Bantu area or the Secretary for Commerce and Industries in the case of an area adjoining a Bantu area, so directs, be allowed to be deducted from the taxpayer's income for any of the years of assessment referred to in paragraph (b) of sub-section (2) an amount determined by the Secretary for Bantu Administration and Development or the Secretary for Commerce and Industries, as the case may be, as representing the additional or abnormal administrative or manufacturing costs incurred by the taxpayer during the relevant year in consequence of such transfer or establishment, provided such costs rank for deduction from the taxpayer's income under the provisions of section *eleven*.

(2) (a) For the purposes of sub-section (1) "manufacturing costs" include expenditure incurred by the taxpayer in the course of operations which in the opinion of the Secretary are similar to manufacturing operations.

(b) An allowance may be made under sub-section (1) in respect of any or all of the following years of assessment, namely, the year of assessment of the taxpayer during which he has transferred or established a factory in the circumstances contemplated by that sub-section, and the first four succeeding years of assessment of the taxpayer.

Allowance to manufacturers in Bantu and border areas in respect of expenditure on housing for employees.

11quin. (1) In the case of any taxpayer who carries on in a Bantu area or an area adjoining a Bantu area the trade of a manufacturer or any trade which in the opinion of the Secretary is of a similar nature, and who in the course of such trade incurs expenditure in connection with the erection or acquisition of any dwelling for the exclusive occupation of persons or the households of persons who are the taxpayer's employees and are employed by him for the purposes of such trade, there shall, if the Minister of Finance, having regard to the circumstances of the case and the recommendation of the Secretary for Bantu Administration and Development in the case of a Bantu area or the Secretary for Commerce and Industries in the case of an area adjoining a Bantu area, so directs, but subject to the provisions of sub-sections (2) and (3), be deducted from the taxpayer's income an allowance (in lieu of any allowance in respect of such expenditure under the provisions of paragraph (i) of section *eleven*)—

- (a) for the year of assessment during which the erection of such dwelling is completed or such dwelling is acquired, of such amount, not exceeding thirty-five per cent of such expenditure as the Minister of Finance may direct; and
- (b) for each of the succeeding nine years of assessment, of such amount, not exceeding ten per cent of such expenditure, as the Minister of Finance may direct.

(2) For the purposes of sub-section (1)—

- (a) the employees of any person who is the sole or principal shareholder in any company which is engaged mainly in the provision of housing facilities for such employees, shall be deemed to be employees also of the said company;
- (b) 'employee', in relation to any taxpayer, does not include any person who is a relative of that taxpayer, or who, if the taxpayer is a company, is a shareholder (or a relative of a shareholder) in that company or in any company which is associated with that company by virtue of shareholding, not being a shareholder who holds all his shares in that company solely because he is employed by that company and who will, in terms of the articles of association of that company, not be entitled to continue to hold those shares after he ceases to be so employed.

(3) The allowance under sub-section (1) shall not be made in respect of any year of assessment referred to in that sub-section in respect of expenditure incurred in connection with the erection or acquisition of any dwelling if—

- (a) prior to or during such year the taxpayer ceased to be the owner of such dwelling; or
- (b) such dwelling was during any portion of such year occupied by any person other than an employee of the taxpayer or a member of the household of such employee."

(2) The amendment effected by sub-section (1) shall apply in respect of assessments for years of assessment ending on or after the first day of May, 1964.

11. (1) The following section is hereby substituted for section twelve of the principal Act:

"Deductions in respect of machinery or plant used in a process of manufacture or by hotel keepers.

12. (1) In respect of new or unused machinery or plant brought into use by any taxpayer for the purposes of his trade and used by him directly in a process of manufacture or any other process which in the opinion of the Secretary is of a similar nature, there shall be allowed to be deducted from the income of such taxpayer for the year of assessment during which such machinery or plant is so brought into use an allowance equal to fifteen per cent of the cost to him of such machinery or plant: Provided that in the case of machinery or plant which has been acquired to replace machinery or plant which was damaged or destroyed, the allowance shall be calculated on such cost less any amount which has been recovered or recouped in respect of the damaged or destroyed machinery or plant and has been excluded from the taxpayer's income in terms of paragraph (e) of sub-section (4) of section eight or the corresponding provisions of any previous Income Tax Act, whether in the current or any previous year of assessment: Provided further that where such machinery or plant has been brought into use in a Bantu area or an area adjoining a Bantu area on or after the first day of May, 1964, the Minister of Finance may with due regard to the circumstances of the case and to the recommendation of the Secretary for Bantu Administration and Development in the case of a Bantu area or the Secretary for Commerce and

Substitution of section 12 of Act 58 of 1962 as amended by section 11 of Act 90 of 1962 section 4 of Act 6 of 1963 and section 10 of Act 72 of 1963.

Industries in the case of an area adjoining a Bantu area, direct that the allowance be increased to a sum not exceeding thirty per cent of such cost."

(2) There shall further be allowed to be deducted from the income of any taxpayer, in respect of new or unused machinery or plant brought into use by him for the purposes of his trade and used by him directly in a process of manufacture or any other process which in the opinion of the Secretary is of a similar nature, an allowance, to be known as a machinery investment allowance, for the year of assessment (not being later than that ending on the twenty-eighth day of February, 1966) during which such machinery or plant was so brought into use, equal to twenty per cent of the cost to the taxpayer of such machinery or plant: Provided that the Minister of Finance may, in the case of any such machinery or plant brought into use in a Bantu area or an area adjoining a Bantu area, with due regard to the circumstances of the case and to the recommendation of the Secretary for Bantu Administration and Development in the case of a Bantu area or the Secretary for Commerce and Industries in the case of an area adjoining a Bantu area, direct that the allowance be increased to a sum not exceeding—

- (a) thirty per cent of such cost if the machinery or plant was brought into use before the first day of May, 1964; or
- (b) thirty-five per cent of such cost if the machinery or plant was brought into use on or after that date.

(3) The provisions of sub-sections (1) and (2) shall *mutatis mutandis* apply—

- (a) with reference to new or unused machinery, implements, utensils and articles (other than vehicles and other than equipment for managers' and servants' rooms and offices) brought into use by a taxpayer for the purposes of his trade as hotelkeeper; and
- (b) where the Minister of Finance, having regard to the circumstances of the case and to the recommendation of the Secretary for Bantu Administration and Development in the case of a Bantu area or the Secretary for Commerce and Industries in the case of an area adjoining a Bantu area, so directs, with reference to—
 - (i) used machinery or plant brought into use and used directly in a process of manufacture or any other process which in the opinion of the Secretary is of a similar nature, in a Bantu area or an area adjoining a Bantu area;
 - (ii) used machinery, implements, utensils and articles (other than vehicles and other than equipment for managers' and servants' rooms and offices) brought into use for the purposes of his trade by an hotel keeper in such an area:

Provided that—

- (i) the allowance provided for in sub-section (1), as applied by this sub-section—
 - (aa) shall not be permitted to be deducted in respect of any used machinery, plant, implements, utensils or articles brought into use as aforesaid before the first day of May, 1964, if an allowance has already been deducted in respect thereof for the year of assessment during which such machinery, plant, implements, utensils or articles were brought into use and used as new or unused machinery, plant, implements, utensils or articles, either under sub-section (1) or under the corresponding provisions of any previous Income Tax Act;

(bb) in respect of any used machinery, plant, implements, utensils or articles brought into use as aforesaid on or after the first day of May, 1964, shall, if an allowance has already been deducted in respect thereof for the year of assessment during which such machinery, plant, implements, utensils or articles were brought into use and used as new or unused machinery, plant, implements, utensils or articles, either under sub-section (1) or under that sub-section as applied by this sub-section or under the corresponding provisions of any previous Income Tax Act, be such a proportion, not exceeding fifteen per cent, of the cost thereof as the Minister of Finance may direct;

(ii) where an allowance has been permitted to be deducted under sub-section (2) or the corresponding provisions of any previous Income Tax Act, in the case of new or unused machinery, plant, implements, utensils or articles, the allowance under that sub-section, as applied by this sub-section, in respect thereof as used machinery, plant, implements, utensils or articles shall if such used machinery, plant, implements, utensils or articles were brought into use—

(aa) before the first day of May, 1964, be such a proportion, not exceeding ten per cent, of the cost thereof as the Minister of Finance may direct; or

(bb) on or after that date, be such a proportion, not exceeding fifteen per cent, of the cost thereof as the Minister of Finance may direct.

(4) The cost of used machinery, plant, implements, utensils or articles shall, for the purpose of determining the allowance to be deducted in respect thereof under sub-section (1) as applied by sub-section (3), or under sub-section (2) as so applied, be deemed to be the actual cost thereof less the aggregate of the amounts allowed to be deducted in respect thereof under paragraph (e) of section eleven and the corresponding provisions of any previous Income Tax Act, whether in the current or in any previous year of assessment, and any amount allowed to be deducted in respect thereof as new or unused machinery, plant, implements, utensils or articles under sub-section (1) or under that sub-section as so applied or under the corresponding provisions of any previous Income Tax Act, whether in the current or in any previous year of assessment.

(2) The amendments effected by sub-section (1) shall be deemed to have first taken effect in respect of assessments for the year of assessment ended the twenty-ninth day of February, 1964.

12. Section *thirteen* of the principal Act is hereby amended with effect from the commencement of the year of assessment ended the twenty-ninth day of February, 1964, by the substitution for sub-section (6) of the following sub-section:

Amendment of section 13 of Act 58 of 1962, as amended by section 12 of Act 90 of 1962, section 5 of Act 6 of 1963 and section 11 of Act 72 of 1963.

“(6) The building investment allowance shall be a sum equal to ten per cent of the cost of the buildings or improvements in question for the year of assessment (but not later than that ending on the twenty-eighth day of February, 1967) during which—

(a) in the case of the cost of erection of a building used by the taxpayer or the lessee, the building was first so used;

(b) in the case of the cost of any improvements to a building, the improvements were completed:

Provided that the Minister of Finance may, having regard to the circumstances of the case and to the recommendation of the Secretary for Bantu Administration and Development in the case of a Bantu area or the Secretary for

Commerce and Industries in the case of an area adjoining a Bantu area, direct that the allowance in respect of any building referred to in paragraph (b) of sub-section (5) which has been used in the manner aforesaid in a Bantu area or an area adjoining a Bantu area, or in respect of improvements to such building, shall be increased to a sum not exceeding—

- (i) twenty per cent of such cost if the erection of such building was, or such improvements were, commenced before the first day of May, 1964; or
- (ii) twenty-five per cent of such cost if the erection of such building was, or such improvements were, commenced on or after that date."

13. Section *twenty* of the principal Act is hereby amended with effect from the commencement of the year of assessment ended the twenty-ninth day of February, 1964, by the insertion after sub-section (1) of the following sub-section:

Amendment of section 20 of Act 58 of 1962.

"(1)*bis* If the Secretary is satisfied that the circumstances of the case warrant the concession and it is proved to his satisfaction—

- (a) that any company (hereinafter referred to as the subsidiary company) which is registered, managed and controlled in the Republic has under an arrangement with any other company (hereinafter referred to as the parent company) which is registered, managed and controlled outside the Republic, acquired all the assets and assumed all the liabilities of the parent company relating to any industrial, commercial or other business undertaking of the parent company in the Republic which has been transferred by the parent company to the subsidiary company as a going concern; and
- (b) that at the time such arrangement was implemented the parent company held for its own benefit all the issued shares of the subsidiary company,

so much of any balance of assessed loss incurred by the parent company to the date on which the parent company ceased to carry on the said undertaking as the Secretary is satisfied relates to that undertaking shall for the purposes of sub-section (1) be deemed to be an assessed loss incurred by the subsidiary company on the date on which that undertaking was taken over by the subsidiary company and the said balance shall for purposes of assessment of the parent company's liability for tax be reduced accordingly."

14. Section *twenty-two* of the principal Act is hereby amended with effect from the commencement of the year of assessment ended the twenty-ninth day of February, 1964, by the addition at the end of sub-section (4) of the following proviso:

Amendment of section 22 of Act 58 of 1962, as amended by section 8 of Act 6 of 1963.

"Provided further that options or any other rights to acquire shares in any company which have been acquired as aforesaid shall have no value."

15. Section *thirty-six* of the principal Act is hereby amended with effect from the commencement of the year of assessment ended the twenty-eighth day of February, 1963—

Amendment of section 36 of Act 58 of 1962, as amended by section 12 of Act 72 of 1963.

- (a) by the substitution for sub-section (3)*bis* 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:

Provided that if in the case of any such mine (not being a new gold mine) the taxpayer informs the Secretary in writing on or before the thirtieth day of September, 1964, or within six months of such mine becoming any other deep level gold mine or within such further period as the Secretary having regard to the circumstances of the case may allow, that he elects not to be allowed any deductions under the preceding provisions of this sub-section, there shall in lieu of such deductions be deducted from the income derived by the taxpayer during the year of assessment from the working of such mine an amount equivalent to twenty-seven and a half per cent of the sum of the unredeemed balance of capital expenditure at the beginning of the year of assessment and the capital expenditure incurred during that year, or an amount equal to the quotient resulting from dividing the said sum by the life of the mine, whichever is the greater amount; or”;

- (b) by the insertion in sub-section (6) after the word “mine” where it occurs for the third time of the words “or any natural oil deposit”;
- (c) by the addition to sub-section (6) of the following paragraph, the existing sub-section becoming paragraph (a):

“(b) The deduction under this sub-section shall be allowed for the year of assessment during which the capital expenditure in question is incurred or, if at the end of that year of assessment the mine has not yet commenced production, for the year of assessment during which the mine commences production.”; and

- (d) by the substitution in sub-section (11) for the definition of “capital expenditure” of the following definition: “‘capital expenditure’ means—

- (a) expenditure on shaft sinking and equipment, including any single renewal or replacement of equipment which together with the accessories thereto exceeds in cost forty thousand rand; and

- (b) expenditure on development, general administration and management (including any interest and other charges payable after the thirty-first day of December, 1950, on loans utilized for mining purposes) prior to the commencement of production or during any period of non-production; and

- (c) in the case of any new gold mine, any new deep level gold mine or any other deep level gold mine, an amount calculated as nearly as may be in the manner prescribed for the calculation of the capital allowance provided for in sub-section (3) of section *nineteen* of the Precious and Base Metals Act, 1908 (Act No. 35 of 1908), of the Transvaal (in this paragraph referred to as the Gold Law), at the rate of six per cent per annum in the case of any new gold mine or five per cent per annum in the case of any new deep level gold mine or any other deep level gold mine on the amount of the unredeemed balance of the aggregate of—

- (i) the expenditure referred to in paragraphs (a) and (b), excluding any interest and other charges on loans referred to in paragraph (b), if the mine is a new gold mine or a new deep level gold

- mine, or the balance of capital expenditure unredeemed in terms of sub-section (1) at the commencement of the year of assessment during which the mine is recognized as any other deep level gold mine, and the expenditure referred to in paragraph (a), if the mine is any other deep level gold mine;
- (ii) the amount (if any) allowed to rank as capital expenditure in terms of section *thirty-seven*;
 - (iii) any expenditure incurred during any period of production on development on any reef on which at the date of such development stoping has not yet commenced; and
 - (iv) the amount calculated in terms of this paragraph up to the end of the year of assessment under this Act or the Income Tax Act, 1941, immediately preceding the year of assessment under charge,
- if the mine is a new gold mine or a new deep level gold mine, for the period from the end of the month in which the expenditure is actually incurred or is in terms of proviso (dd) to this paragraph deemed to be incurred, up to the end of the year of assessment immediately preceding the first year of assessment in respect of which the determination of the taxable income derived from the working of such mine does not result in an assessed loss, and, if the mine is any other deep level gold mine, for a period of ten years from the commencement of the year of assessment during which the mine is recognized as any other deep level gold mine: Provided that—
- (aa) the amount under this paragraph shall not be calculated for any period during which mining operations are not carried on in accordance with the terms of the relevant lease;
 - (bb) notwithstanding anything to the contrary in any law contained, the amount under this paragraph shall not be taken into account for the purpose of calculating the capital allowance provided for in sub-section (3) of section *nineteen* of the Gold Law or for the purpose of determining the profits of which a share is payable to the State in terms of any mining lease;
 - (cc) the provisions of sub-sections (4) and (4)*bis* of section *nineteen* of the Gold Law shall, in so far as they can be applied, apply *mutatis mutandis* for the purpose of determining the unredeemed balance of the aggregate of the amounts referred to in sub-paragraphs (i) to (iv), inclusive, of this paragraph;
 - (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;”

16. Section *thirty-eight* of the principal Act is hereby amended with effect from the commencement of the year of assessment ended the twenty-ninth day of February, 1964—

(a) by the substitution for sub-paragraph (iv) of paragraph

(a) of sub-section (2) of the following sub-paragraph:

“(iv) that the general public was throughout the year of assessment in question interested either directly as shareholders in the company or indirectly

Amendment of section 38 of Act 58 of 1962, as amended by section 21 of Act 90 of 1962.

as shareholders in any other company, in more than forty per cent of every class of equity shares issued by the company;”;

- (b) by the substitution for sub-paragraph (i) of paragraph (b) of the said sub-section of the following sub-paragraph:

“(i) that the general public was throughout the year of assessment in question interested either directly as shareholders in the company or indirectly as shareholders in any other company, in more than fifty per cent of every class of equity shares issued by the company; and”;

- (c) by the deletion in sub-section (3) of the words “at the specified date”; and

- (d) by the addition of the following sub-section:

“(4) For the purposes of this section—

- (a) the general public in relation to any company (in this paragraph referred to as the company) shall be deemed not to include—

- (i) any director of the company; or
- (ii) any relative of any director of the company, unless it is shown to the satisfaction of the Secretary that such relative, if he is not the spouse or minor child of such director, has at all times which the Secretary considers relevant exercised his rights as a shareholder in the company or in any other company through which such relative is interested in the shares of the company, independently of such director; or
- (iii) the executor of the deceased estate or the trustee of the insolvent estate of any person referred to in sub-paragraph (i) or (ii); or
- (iv) any person to the extent that he acts in a fiduciary capacity, or as a nominee, for the benefit of any person who is not in fact or in terms of any other provision of this sub-section a member of the general public in relation to the company; or
- (v) any man or his wife or any minor child of any man or his wife, if one or more of such persons are directly or indirectly interested (otherwise than by virtue of any shareholding in any public company or any private company which is interested in the shares of the company through a direct or indirect interest in the issued share capital of a public company) in altogether more than fifteen per cent of any class of equity shares issued by the company;

- (b) the general public in relation to any company (in this paragraph referred to as the company) shall be deemed to include—

- (i) any benefit fund, pension fund, provident fund or retirement annuity fund or any trust or institution which in the opinion of the Secretary is of a public character; and
- (ii) any person to the extent that he acts in a fiduciary capacity, or as a nominee, for the benefit of any person who is in fact or in terms of any other provision of this sub-section a member of the general public in relation to the company;

- (c) where any person—

- (i) being a public company, is indirectly interested in any shares of any other company; or
- (ii) being a member of the general public in relation to any company, is indirectly interested in any shares of that company,

by virtue of his being a shareholder in any private company and such interest is not attributable to a direct or indirect interest of such private company in the issued share capital of a public company, the said person shall be deemed to

be interested in only that portion of such shares as the Secretary is satisfied such person would be entitled to receive if every company through which that person is interested in those shares were to be wound up or liquidated and the assets of each such company were, without regard to its liabilities, to be distributed among its shareholders;

- (d) where persons are jointly interested, whether directly or indirectly, but otherwise than through a direct or indirect interest in the issued share capital of a public company, in the shares of any company, each such person shall be deemed to be interested in only such proportion of those shares as the Secretary is satisfied he would be entitled to receive if the joint interest of all such persons in such shares were to be divided between such persons."

17. Section *forty-nine* of the principal Act is hereby amended with effect from the commencement of the year of assessment ended the twenty-ninth day of February, 1964, by the substitution for paragraph (ii) of the definition of "distributable income" of the following paragraph:

Amendment of section 49 of Act 58 of 1962, as amended by section 22 of Act 90 of 1962 and section 9 of Act 6 of 1963.

- "(ii) an allowance equal to forty-five per cent of so much of the sum of the amounts referred to in paragraphs (a) and (b) of this definition as is not attributable to the inclusion in the profits of such company of any dividends received by or accrued to it; and"

18. Section *fifty-six* of the principal Act is hereby amended—

Amendment of section 56 of Act 58 of 1962.

- (a) by the insertion in paragraph (a) of sub-section (1) after the word "to" of the words "or for the benefit of";
- (b) by the insertion in paragraph (b) of the said sub-section after the word "to" of the words "or for the benefit of"; and
- (c) by the substitution for paragraph (g) of the said sub-section of the following paragraph:

"(g) if such property consists of any right in property situated outside the Republic and was acquired by the donor—

- (i) before the donor, being a person other than a company, became ordinarily resident in the Republic for the first time or was, in the case of a company, for the first time registered, managed or controlled in the Republic; or
- (ii) by inheritance or by way of a donation if at the date of the donation the person who made the donation was a person (other than a company) not ordinarily resident in the Republic; or
- (iii) out of funds derived by him from the disposal of any property referred to in sub-paragraph (i) or (ii) or, if the donor disposed of such last-mentioned property and replaced it successively with other properties (all situated outside the Republic and acquired by the donor out of funds derived by him from the disposal of any of the said properties), out of funds derived by him from the disposal of, or from revenue from any of those properties; or
- (iv) out of funds derived by him from any trade carried on by him outside the Republic; or
- (v) in the case of immovable property, not less than ten years before the date on which the donation takes effect;"

19. Section *sixty-six* of the principal Act is hereby amended—

Amendment of section 66 of Act 58 of 1962, as amended by section 10 of Act 6 of 1963.

- (a) by the substitution for sub-section (13) of the following sub-section:

(13) The return of income to be made by any person in respect of the year of assessment ended the thirtieth day of June, 1962, or by any person (other than a company) in respect of any year of assessment referred to in sub-paragraph (i) of paragraph (b) of sub-section (1) of section five shall be a full and true return for the whole period of twelve months ending upon the last day of the year of assessment under charge: Provided that where it is established to the satisfaction of the Secretary that the income of a person cannot be conveniently returned for that period, the Secretary may accept returns made up to a date agreed to by him which returns shall be deemed for all purposes of this Act to be returns for the periods covered by the years of assessment under charge, and the taxpayer shall not without the consent of the Secretary be entitled to make a return in respect of any subsequent year of assessment to a date other than the date so agreed to.”;

(b) by the substitution for sub-section (13)*bis* of the following sub-section:

“(13)*bis* The return of income to be made by any person (other than a company)—

(a) in respect of the period (hereinafter referred to as the transition period) referred to in sub-paragraph (ii) of paragraph (b) of sub-section (1) of section five or sub-paragraph (i) of paragraph (c) of that sub-section, shall be a full and true return for the whole period under charge and where in terms of the proviso to sub-section (13) a return in respect of the year of assessment (hereinafter referred to as the preceding year) which immediately precedes the transition period has in respect of the whole or any portion of the taxpayer's income been accepted to a date other than the last day of the preceding year, the taxpayer's return for the transition period shall, subject to the provisions of sub-section (13)*ter*—

(i) where the date to which the return for the preceding year is made falls before the last day of the preceding year, include any income received by or accrued to the taxpayer during the period commencing immediately after such date and ending upon the said last day if such income was properly excluded from the taxpayer's return for the preceding year, and such income shall be deemed to be income of the taxpayer in respect of the transition period; and

(ii) where the date to which the return in respect of the preceding year is made falls after the last day of the preceding year, not include any income received by or accrued to the taxpayer during the period commencing immediately after such last day and ending upon the said date if such income was properly included in the taxpayer's return for the preceding year;

(b) in respect of any year of assessment referred to in sub-paragraph (iii) of paragraph (b) of sub-section (1) of section five or sub-paragraph (ii) of paragraph (c) of that sub-section, shall be a full and true return for the whole period of twelve months ending upon the last day of the year of assessment under charge.”; and

(c) by the substitution for sub-section (13)*ter* of the following sub-section:

“(13)*ter* Where—

(a) it is established to the satisfaction of the Secretary that the whole or some portion of the income of any person to whom the provisions of sub-section (13)*bis* apply cannot be conveniently returned for the transition period referred to in paragraph (a) of that sub-section or any year of

assessment referred to in paragraph (b) of that sub-section the Secretary may, subject to such conditions as he may impose, accept accounts in respect of the whole or a portion of the taxpayer's income drawn to a date agreed to by the Secretary, whether for a longer or shorter period than the transition period or the year of assessment under charge, and the income disclosed in any such accounts shall be deemed to be income of the person concerned in respect of such period or year under charge, as the case may be;

(b) any such accounts are drawn to a date later than the last day of the transition period or year of assessment, as the case may be, no further regard shall be had to the income disclosed by such accounts for purposes of any subsequent year of assessment;

(c) any such accounts are drawn to a date falling within the transition period or year of assessment and the person concerned dies or his estate is sequestrated during the interim period between that date and the last day of the transition period or year of assessment, as the case may be, any income received by or accrued to such person during such interim period shall be deemed to be part of such person's income for the transition period or the year of assessment, as the case may be."

20. Section *seventy* of the principal Act is hereby amended by the deletion of sub-section (3).

Amendment of section 70 of Act 58 of 1962, as amended by section 11 of Act 6 of 1963.

21. Section *eighty-three* of the principal Act is hereby amended by the substitution for sub-section (4) of the following sub-section:

Amendment of section 83 of Act 58 of 1962.

"(4) Any court constituted or deemed to be constituted under the provisions of this Act may, subject to the regulations, hear and determine any appeal lodged under the provisions of this Act or the Income Tax Act, 1941, whether or not the appellant is resident or carries on business within the area for which such court is constituted and whether or not the dispute arose within that area."

22. (1) Section *eighty-nine ter* of the principal Act is hereby amended by the substitution in sub-section (1) for the words "including payments made by way of provisional tax in terms of the Fourth Schedule, any credit in respect of employees' tax to which the taxpayer has become entitled under the said Schedule" of the words "(excluding payments made by way of provisional tax in terms of the Fourth Schedule), any credit in respect of any amount of employees' tax or provisional tax which the taxpayer is under that Schedule entitled to have set off against his liability for such taxes".

Amendment of section 89ter of Act 58 of 1962, as inserted by section 14 of Act 6 of 1963.

(2) The amendment effected by sub-section (1) shall apply in respect of all payments made by way of provisional tax under the Fourth Schedule to the principal Act on or after the first day of February, 1964, and any credits in respect of such payments.

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

Amendment of paragraph 1 of 2nd Schedule to Act 58 of 1962, as amended by section 31 of Act 90 of 1962.

(a) by the substitution for paragraph (d) of the definition of "formula B" of the following paragraph:

"(d) 'E' represents the sum of the taxpayer's own contributions to any pension funds and 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 pen-

sion funds or provident funds as represented his own contributions to such other funds, but excluding so much of any such contributions or amounts representing contributions as ranked for deduction against the taxpayer's income in terms of paragraph (k) of section *eleven* of this Act or the corresponding provisions of any previous Income Tax Act: Provided that for the purposes of this definition the surrender value of any policy of insurance ceded or otherwise made over to the taxpayer by any pension or provident fund and ceded or otherwise made over by the taxpayer to any other pension or provident fund, or any amount paid by the taxpayer into the latter fund in lieu of or as representing such surrender value or a portion thereof, shall be deemed to be an amount paid into the latter fund by the former fund for the benefit of the taxpayer;"; and

- (b) by the addition at the end of paragraph (b) of the definition of "retire" of the following proviso:

"Provided that for the purposes of this paragraph 'full benefits' shall in the case of a member who retires from employment on the grounds of ill-health or who retires from employment after attaining the age of fifty-five years in the case of a male or fifty years in the case of a female, include the surrender value of any policy of insurance which is in terms of sub-paragraph (2)*bis* of paragraph 4 deemed to be a lump sum benefit;".

24. Paragraph 4 of the Second Schedule to the principal Act is hereby amended—

Amendment of paragraph 4 of 2nd Schedule to Act 58 of 1962, as amended by section 20 of Act 72 of 1963.

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

"(2) If upon a member's withdrawal or resignation from or the winding up of a pension fund, provident fund or retirement annuity fund on or after the fifteenth day of March, 1961, a policy of insurance is ceded or otherwise made over to or in favour of such member before the date of promulgation of the Income Tax Act, 1964, any lump sum due in respect of such policy upon its maturity or surrender before such date shall be deemed to be a lump sum benefit accruing to such member from a pension fund, provident fund or retirement annuity fund, as the case may be, on the date of such maturity or surrender, or, if such member dies before such last-mentioned date, on the date of his death, and shall be assessed to tax in respect of the year of assessment during which such benefit is deemed to accrue as though it were a lump sum benefit derived by him upon his withdrawal or resignation from the fund or upon his retirement or immediately prior to his death, as the case may be: Provided that if after the cession or making over of such policy any premiums are paid thereon by such member, there shall be deducted from such lump sum, in addition to any other deduction to which such member may be entitled in terms of this Schedule, an amount which bears to such lump sum the same ratio as the sum of the premiums paid by him after such cession or making over bears to the sum of all the premiums paid on such policy."; and

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

"(2)*bis* If a policy of insurance is ceded or otherwise made over to or in favour of a member of a pension fund, provident fund or retirement annuity fund by the fund in question on or after the date of promulgation of the Income Tax Act, 1964, the surrender value of such policy shall, provided such member retired or ceased to be a member of such fund on or after the fifteenth day of March, 1961, be deemed for the purposes of this Schedule to be a lump sum benefit accruing to such member from such fund on the date of such cession or making over."

25. Paragraph 5 of the Second Schedule to the principal Act is hereby amended by the insertion in item (a) of sub-paragraph (2) after the word "fund" of the words "(other than a provident fund which has become a pension fund)".

Amendment of paragraph 5 of 2nd Schedule to Act 58 of 1962, as amended by section 31 of Act 90 of 1962 and section 21 of Act 72 of 1963.

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

Substitution of paragraph 6 of 2nd Schedule to Act 58 of 1962.

"WITHDRAWAL OR RESIGNATION:

WINDING UP: DEDUCTIONS.

6. The deduction to be allowed in determining the amount required to be included in the taxpayer's gross income for any year of assessment in terms of paragraph 2 shall, if the lump sum benefits in question have been derived in consequence of or following upon his withdrawal or resignation from any pension funds, provident funds or retirement annuity funds or the winding up of any such funds, be the sum of the following amounts, namely—

- (a) so much of any lump sum benefit so derived by the taxpayer from any fund approved by the Secretary as a pension fund in respect of the year of assessment in question as is paid for the benefit of such taxpayer into any other fund approved by the Secretary as a pension fund or retirement annuity fund in respect of that year;
- (b) so much of any lump sum benefit so derived by the taxpayer from any fund approved by the Secretary as a provident fund in respect of the year of assessment in question as is paid for the benefit of such taxpayer into any fund approved by the Secretary as a pension fund, provident fund or retirement annuity fund in respect of that year;
- (c) so much of any lump sum benefit so derived by the taxpayer from any retirement annuity fund as is applied in accordance with the provisions of sub-paragraph (xi) of paragraph (b) of the definition of "retirement annuity fund" in section one of this Act; and
- (d) so much of the excess of the aggregate value of the lump sum benefits in question so derived by the taxpayer from all the funds over the sum of the amounts allowed to be deducted by the taxpayer under the preceding items as does not exceed six hundred rand:

Provided that in respect of any lump sum benefits so derived by the taxpayer from any pension fund or provident fund the sum of the deductions under this paragraph shall not be less than the lesser of either the aggregate value of such lump sum benefits or the sum of the taxpayer's own contributions to such fund, including so much of any amounts paid into such fund for his benefit by any other pension fund or provident fund as represented his own contributions to such other fund, but excluding so much of such contributions and amounts representing contributions as ranked for deduction against the taxpayer's income in terms of paragraph (k) of section eleven of this Act or the corresponding provisions of any previous Income Tax Act: Provided further that for the purposes of this paragraph the surrender value of any policy of insurance ceded or otherwise made over to the taxpayer by any aforesaid fund and ceded or otherwise made over by the taxpayer to another such fund in the appropriate circumstances contemplated by this paragraph or any amount paid in such circumstances by the taxpayer into such other fund in lieu of or as representing such surrender value or a portion thereof, shall, if such surrender value is in terms of sub-paragraph (2)bis of paragraph 4 deemed to be a lump sum benefit accruing to the taxpayer, be deemed to have been paid for the benefit of the taxpayer into such other fund."

27. Paragraph 17 of the Fourth Schedule to the principal Act is hereby amended by the addition of the following sub-paragraphs:

Amendment of paragraph 17 of 4th Schedule to Act 58 of 1962, as added by section 19 of Act 6 of 1963.

"(5) The Secretary may from time to time, having regard to the rates of normal tax as fixed by Parliament or foreshadowed by the Minister of Finance in his budget statement, to the rates of provincial taxes in force or foreshadowed by the Administrator of any province in his budget statement, to any of the rebates applicable in terms of sub-section (1) of section six of this Act, and to any other factors having a bearing upon the probable liability of taxpayers for those taxes, prescribe tables for optional use by provisional taxpayers falling within any category specified by the Secretary, or by provisional taxpayers generally, for the purpose of estimating the liability of such taxpayers for normal and provincial taxes, and the Secretary may prescribe the manner in which such tables shall be applied.

(6) Any tables prescribed by the Secretary in accordance with sub-paragraph (5) shall come into force on such date as may be notified by the Secretary in the *Gazette*, and shall remain in force until withdrawn by the Secretary.

(7) The provisions of sub-paragraphs (3) and (4) shall not apply where the liability of a provisional taxpayer for normal and provincial taxes is estimated in accordance with any tables prescribed for his use under the provisions of sub-paragraph (5) and not withdrawn under the provisions of sub-paragraph (6)."

28. Paragraph 18 of the Fourth Schedule to the principal Act is hereby amended by the substitution for item (a) of sub-paragraph (1) of the following item:

Amendment of paragraph 18 of 4th Schedule to Act 58 of 1962, as added by section 19 of Act 6 of 1963.

"(a) in respect of any period in respect of which provisional tax would but for the provisions of this item be payable by him any person (other than a company or a director of a private company) who satisfies the Secretary that apart from any taxable income which he may derive by way of remuneration or any amount referred to in paragraph (i), (iii) or (v) of the definition of "remuneration" in paragraph 1, he will not during that period derive any taxable income in excess of five hundred rand;"

29. (1) Paragraph 28 of the Fourth Schedule to the principal Act is hereby amended—

Amendment of paragraph 28 of 4th Schedule to Act 58 of 1962, as added by section 19 of Act 6 of 1963.

(a) by the insertion after sub-paragraph (1) of the following sub-paragraph:

"(1)*bis* The provisions of sub-paragraph (1) shall not be construed as requiring any amount of provisional tax paid in respect of any year of assessment to be set off against any liability of the taxpayer before the taxpayer's liability for normal and provincial taxes in respect of that year is determined by the Secretary or, where such last-mentioned liability has not been determined by the Secretary, before the expiration of a period determined by the Secretary but not exceeding one hundred and twenty days reckoned from the end of such year or where in terms of sub-section (13)*ter* of section sixty-six of this Act the Secretary accepts accounts drawn to a date after the end of such year, from such date."; and

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

"(7) If the Secretary, purporting to act under the provisions of this paragraph, pays to any person by way of a refund any amount which was not properly payable to that person under those provisions or which was in excess of the amount due to such person by way of a refund under those provisions, such amount or the excess, as the case may be, shall forthwith be repaid by the person concerned to the Secretary and shall be recoverable by the Secretary under this Act as if it were a tax."

(2) The amendment effected by paragraph (a) of sub-section (1) shall be deemed to have come into operation on the first day of February, 1964, and the amendment effected by paragraph (b) of that sub-section on the date of commencement of paragraph 28 of the Fourth Schedule to the principal Act.

30. The principal Act and any other law relating to income tax is hereby amended by the substitution for the words "Commissioner" and "Commissioner's" wherever they are used to denote the head of the Department of Inland Revenue of the words "Secretary" and "Secretary's" respectively.

Substitution of "Secretary" for "Commissioner" in Act 58 of 1962 and other laws.

31. Save in so far as is otherwise provided therein or the context otherwise indicates, the amendments effected to the principal Act by this Act shall first take effect in respect of assessments for the year of assessment ending the twenty-eighth day of February, 1965.

Commencement of certain amendments.

32. This Act shall be called the Income Tax Act, 1964.

Short title.

Schedule.

RATES OF NORMAL TAX PAYABLE BY PERSONS OTHER THEN COMPANIES IN RESPECT OF THE YEARS OF ASSESSMENT ENDING THE TWENTY-EIGHTH DAY OF FEBRUARY, 1965, AND THE THIRTIETH DAY OF JUNE, 1965, AND BY COMPANIES IN RESPECT OF YEARS OF ASSESSMENT ENDING DURING THE PERIOD OF TWELVE MONTHS ENDING THE THIRTY-FIRST DAY OF DECEMBER, 1964.

(Section one of this Act.)

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

(a) In respect of the taxable income of any person other than a company, as prescribed in the tables below: Provided that there shall 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 s/x of the principal Act from the amount of 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 10 per cent of the amount by which the taxable income exceeds R4,600;
„ R5,000, „ „ R6,000	R408 plus 20 per cent of the amount by which the taxable income exceeds R5,000;
„ R6,000, „ „ R7,000	R608 plus 29 per cent of the amount by which the taxable income exceeds R6,000;
„ R7,000, „ „ R8,000	R898 plus 32 per cent of the amount by which the taxable income exceeds R7,000;
„ R8,000, „ „ R9,000	R1,218 plus 34 per cent of the amount by which the taxable income exceeds R8,000;

Taxable Income.	Rates of Tax in Respect of Married Persons.
Where the taxable income— exceeds R9,000, but does not exceed R10,000	R1,558 plus 38 per cent of the amount by which the taxable income exceeds R9,000;
„ R10,000, „ „ R12,000	R1,938 plus 39 per cent of the amount by which the taxable income exceeds R10,000;
„ R12,000, „ „ R14,000	R2,718 plus 40 per cent of the amount by which the taxable income exceeds R12,000;
„ R14,000, „ „ R16,000	R3,518 plus 44 per cent of the amount by which the taxable income exceeds R14,000;
„ R16,000, „ „ R18,000	R4,398 plus 47 per cent of the amount by which the taxable income exceeds R16,000;
„ R18,000 „ „ „ „	R5,338 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 12 per cent of the amount by which the taxable income exceeds R4,600;
„ R5,000, „ „ R6,000	R491 plus 21 per cent of the amount by which the taxable income exceeds R5,000;
„ R6,000, „ „ R7,000	R701 plus 30 per cent of the amount by which the taxable income exceeds R6,000;
„ R7,000, „ „ R8,000	R1,001 plus 33 per cent of the amount by which the taxable income exceeds R7,000;
„ R8,000, „ „ R9,000	R1,331 plus 35 per cent of the amount by which the taxable income exceeds R8,000;
„ R9,000, „ „ R10,000	R1,681 plus 39 per cent of the amount by which the taxable income exceeds R9,000;
„ R10,000, „ „ R12,000	R2,071 plus 41 per cent of the amount by which the taxable income exceeds R10,000;
„ R12,000, „ „ R14,000	R2,891 plus 42 per cent of the amount by which the taxable income exceeds R12,000;