

Income tax rates 2019

Individuals, estates and special trusts

Taxable income	Rates of tax
R0 – R195 850	18% of taxable income
R195 851 – R305 850	R35 253 + 26% of taxable income > R195 850
R305 851 – R423 300	R63 853 + 31% of taxable income > R305 850
R423 301 – R555 600	R100 263 + 36% of taxable income > R423 300
R555 601 – R708 310	R147 891 + 39% of taxable income > R555 600
R708 311 – R1 500 000	R207 448 + 41% of taxable income > R708 310
R1 500 001 and above	R532 041 + 45% of taxable income > R1 500 000

Trusts other than special trusts 45%, regardless of the amount.

Capital gains tax (CGT)

CGT inclusion and effective rates

Type of tax person	Inclusion rate	Maximum effective rate
Individuals and special trusts	40%	18%
Trusts	80%	36%

CGT deductions and exemptions

- Value of assets at 1 October 2001 or cost of assets acquired thereafter.
- R2 million of the gain/loss on the disposal of a primary residence.
- Natural person: annual exclusion of R40 000. In the year of death: R300 000.
- Special trusts: annual exclusion of R40 000.

Other taxes

Tax type	Tax %
Dividend withholding tax	20%
Estate duty¹: Value of deceased estate	
R0 to R30 000 000	20% of the dutiable amount
Exceeding R30 000 001	25% of the dutiable amount
Donations tax²: Value of property donated	
R0 to R30 000 000	20% on the donation value
Exceeding R30 000 001	25% on the donation value

¹ Estate duty

Estate duty abatement R3,5 million. The unutilised portion can be carried over to the surviving spouse with a combined limit of R7 million.

Estate duty deductions

- Liabilities at date of death (including CGT due on death).
- Bequests to charitable, educational and religious institutions in South Africa.
- Property accruing (including bequests) to a surviving spouse.

² Donations tax - main exemptions

- Donations between spouses.

- Donations to approved institutions, limited to 10% of taxable income before donations. Any excess may be carried forward and is treated as a donation made in the subsequent year.
- First R100 000 per year of assessment. A husband and wife are each entitled to this exemption.
- Casual gifts by a donor up to R10 000 per tax year.

Transfer duty on immovable property

- Transfer duty is calculated on the value of immovable property (purchase price or market value whichever is the highest) by any person where the transaction is not subject to VAT.
- Transfer duty is calculated as follows:

Property value	Rates of tax
R0 – R900 000	0%
R900 001 – R1 250 000	3% of value > R900 000
R1 250 001 – R1 750 000	R10 500 + 6% of value > R1 250 000
R1 750 001 – R2 250 000	R40 500 + 8% of value > R1 750 000
R2 250 001 – R10 000 000	R80 500 + 11% of value > R2 250 000
R10 000 001 and above	R933 000 + 13% of value > R10 000 000

Deductions and credits

Natural Persons: Rebates

Amounts deductible from tax payable:

Persons under 65	R14 067
Persons 65 and under 75	R21 780
Persons 75 and over	R24 354

Natural Persons: Thresholds

Persons under 65	R78 150
Persons 65 and under 75	R121 000
Persons 75 and over	R135 300

Natural Persons: Interest exemptions

Persons under 65	R23 800
Persons 65 and older	R34 500

Medical expenses/credits

Monthly credit against tax payable in respect of benefits to:

Main member	R310
Main member plus one dependent	R620
Each additional dependent	R209

Tax-free savings accounts

Maximum tax-free contributions per annum. Currently, a R500 000 lifetime limit applies.	R33 000
---	---------

Retirement fund contributions

Retirement fund contributions of up to 27.5% of taxable income, capped at R350,000, are deductible from taxable income. Any excess may be carried forward to the following year of assessment.