

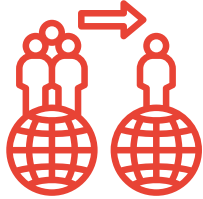


# HIGHLIGHTS



No introduction of wealth tax or increases in CGT rates

Corporate income tax rate to be reduced to 27% from April 2022



Refinement of the tax position for emigrants with regards to retirement funds

Expenditure to be reduced by R265 billion over the medium term, mostly from the public wage bill



Section 12J VCC regime to perish on 30 June 2021

# MONETARY AMENDMENTS

## CHANGED:

- Above inflationary increase in personal income tax brackets to provide relief to individual taxpayers
- Corporate income tax rate to be reduced to 27% from April 2022
- Various changes proposed to the group relief provisions contained in the income tax act

## UNCHANGED:

- Personal income tax rates
- Top 45% tax bracket for individuals
- Inclusion rate for CGT, as well as annual exclusion of R40,000
- VAT rate
- Dividends tax rate



# ANNUAL NATIONAL BUDGET

24 February 2021

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# TAKING STOCK

- Corporate tax rate to reduce to 27% for tax years beginning 1 April 2022.
- “Bracket creep” eliminated through above-inflationary increases in tax brackets, effectively decreasing in personal tax rates.
- Our predictions confirmed: no “wealth tax” or increases in CGT.
- 8% average increase in alcohol duties.
- Year-on-year tax collections decreased by 11%.
- A massive 47% of annual revenue is spent on paying Government employees, the focus of the present year budget.
- Reforms to be introduced to tax retirement funds of emigrants.
- The section 12J VCC regime to expire finally on 30 June 2021.
- Government to reconsider introducing limitations on the use of assessed losses in future.
- No further exchange control relaxations announced.

# CHANGES

	WAS	NOW
VALUE ADDED TAX	15%	15%
TOP MARGINAL PIT RATE	45%	45%
DIVIDENDS TAX	20%	20%
TRANSFER DUTY THRESHOLD	R1 M	R1 M
PRIMARY REBATE	R14 958	R15 714
CGT ANNUAL EXCLUSION	R40 000	R40 000
TOP INCOME TAX THRESHOLD @ 45%	R1 577 301	R1 656 601
TAX EXEMPTION FOR SA RESIDENTS WORKING ABROAD	R1 250 000	R1 250 000

