

2013/2014 Budget Speech



Sage VIP Users

February 2013

TAX TABLES 2013/2014

Income tax: Individuals and Trusts

Tax rates (year of assessment ending 28 February 2014)

Taxable Income		Rates of Tax	
0 - 165 600			18 % of each R1
165 601 - 258 750	29 808		+ 25% of the amount over 165 600
258 751 - 358 110	53 096		+ 30% of the amount over 258 750
358 111 - 500 940	82 904		+ 35% of the amount over 358 110
500 941 - 638 600	132 894		+ 38% of the amount over 500 940
638 601 +	185 205		+ 40% of the amount over 638 600

REBATES

Primary Rebate	R 12 080
Secondary (Persons 65 and older)	R 6 750
Tertiary (Persons 75 and older)	R 2 250

TAX THRESHOLDS

The tax thresholds at which liability for normal tax commences, are:

Persons under 65	R 67 111
Persons of 65 - 74 years	R 104 611
Age 75 and older	R 117 111

Note: the tax threshold is above the *SITE* limit - therefor there is effectively no more *SITE*

MEDICAL TAX CREDITS (MTC)

Main member	R 242
First dependant	R 242
Each additional dependant	R 162

SUBSISTENCE ALLOWANCES AND ADVANCES

Where the recipient is obliged to spend at least one night away from his/her usual place of residence on business and the accommodation to which that allowance or advance is granted to pay for:

- meals and incidental costs, an amount of R319 per day is deemed to have been expended;
- incidental costs only, an amount of R98.00 for each day.

The rate for foreign travel will be gazetted soon and will be found on www.sars.gov.za under the Legal and Policy tab.

TABLE FOR CALCULATION OF RATE PER KM/TRAVEL ALLOWANCE

Value of the vehicle (including VAT)	Fixed cost	Fuel cost	Maintenance cost
(R)	(R p.a)	(c/km)	(c/km)
0 - 60 000	19 310	81.4	26.2
60 001 - 120 000	38 333	86.1	29.5
120 001 - 180 000	52 033	90.8	32.8
180 001 - 240 000	65 667	98.7	39.4
240 001 - 300 000	78 192	113.6	46.3
300 001 - 360 000	90 668	130.3	54.4
360 001 - 420 000	104 374	134.7	67.7
420 001 - 480 000	118 078	147.7	70.5
exceeding 480 000	118 078	147.7	70.5

PRESCRIBED RATE FOR REIMBURSIVE KILOMETRES

The SARS prescribed rate per kilometer increased to R3.16 to R3.24.

ACCOMODATION FRINGE BENEFIT

The value of 'B' in the formula used to determine the value of the accommodation fringe benefit increased to R67 111.

RETIREMENT REFORM

POSSIBLE CHANGES FROM MARCH 2014 ONLY

From March 2014 an employer's contribution to retirement funds on behalf of an employee will be treated as a taxable fringe benefit in the hands of the employee. Individuals will from that date be allowed to deduct up to 27.5 per cent of the higher of taxable income or employment income for contributions to pension, provident and retirement annuity funds with a maximum annual deduction of R350 000. Contributions above the cap are carried forward to future tax years.



Quick links

- [Budget speech 2013 / 2014](#)
- [VIP Tax Calculator](#)
- [Tax Seminar](#)
- [All your tools for TYE](#)

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Taxation Law Amendment

February 2013

CHANGES IN THE TAXATION LAWS AMENDMENT ACT, EFFECTIVE 1 MARCH 2013

TAXATION OF VARIABLE REMUNERATION

Remuneration should be taxed when it is accrued or when it is received (whichever happens first). As from 1 March 2013 an exception has been made to the taxation of variable remuneration. Variable remuneration should be taxed in the month when it is paid to the employee (not when it is accrued).

Variable remuneration is defined as:

- Overtime
- Bonuses
- Commission
- An allowance or advance paid in respect of transport expenses such as a travel allowance
- Leave Paid out

TAXATION OF COMPANY CARS UNDER AN “OPERATING LEASE” AGREEMENT

If an employer rents a car under an operating lease agreement and provides the use of it to the employee, the employee should be taxed on the **actual cost to the employer under the operating lease and the fuel cost**.

Operating Lease includes the following conditions:

- The employer must rent the vehicle from a company that is in the business of renting cars
- The vehicle may be rented by the public for a period of less than a month
- The cost of maintaining the vehicle must be borne by the rental company
- Risk of the loss or damage must not be assumed by the employer

For example: The company rents a car from Avis which the employee can use as his company car. The lease agreement qualifies as an “operating lease”. The company pays Avis R5000 per month and the fuel was R2000. The **fringe benefit** value is R7000 (R5000 + R2000). 20% / 80% / 100% of the R7000 should be included in remuneration.

The taxation of company cars which are not subject to an “operating lease” agreement stays unchanged.