

REPUBLIC OF SOUTH AFRICA

RATES AND MONETARY AMOUNTS AND AMENDMENT OF REVENUE LAWS BILL

*(As introduced in the National Assembly (proposed section 77))
(The English text is the official text of the Bill)*

(MINISTER OF FINANCE)

[B 21—2021]

ISBN 978-1-4850-0755-5

No. of copies printed350

[] Words in bold type in square brackets indicate omissions from existing enactments.

Words underlined with a solid line indicate insertions in existing enactments.

To fix the rates of normal tax; to amend the Income Tax Act, 1962, so as to amend rates of tax and monetary amounts; to amend the Customs and Excise Act, 1964, so as to amend rates of duty in Schedule 1 to that Act; to insert new tariff items; to delete tariff items; to delete rebate items; to insert rebate items; to amend the Carbon Tax Act, 2019, so as to amend a rate of tax; to amend the Rates and Monetary Amounts and Amendment of Revenue Laws Act, 2020, so as to provide for corrections; and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

1. (1) The rates of tax fixed by Parliament in terms of section 5(2) of the Income Tax Act, 1962, are set out in paragraphs 1 to 7 and 9 of Schedule I.

(2) The rate of tax fixed by Parliament in terms of section 48B (1) of the Income Tax Act, 1962, is set out in paragraph 8 of Schedule I.

(3) Subject to subsection (4), the rates of tax referred to in subsection (1) apply in respect of—

(a) any person (other than a company or a trust other than a special trust) for any year of assessment commencing on or after 1 March 2021;

(b) any company for any year of assessment ending on or after 1 April 2021; and

(c) any trust (other than a special trust) for any year of assessment commencing on or after 1 March 2021.

(4) The rate of tax referred to in subsection (2) applies in respect of the taxable turnover of a person that is a registered micro business as defined in paragraph 1 of the Sixth Schedule to the Income Tax Act, 1962, in respect of any year of assessment commencing on or after 1 March 2021.

Amendment of section 6 of Act 58 of 1962, as amended by section 4 of Act 90 of 1962, section 3 of Act 6 of 1963, section 5 of Act 72 of 1963, section 8 of Act 55 of 1966, section 7 of Act 95 of 1967, section 7 of Act 76 of 1968, section 8 of Act 89 of 1969, section 7 of Act 88 of 1971, section 5 of Act 104 of 1980, section 5 of Act 96 of 1981, section 5 of Act 91 of 1982, section 4 of Act 94 of 1983, section 4 of Act 121 of 1984, section 3 of Act 96 of 1985, section 4 of Act 85 of 1987, section 4 of Act 90 of 1988, section 4 of Act 70 of 1989, section 3 of Act 101 of 1990, section 4 of Act 129 of 1991, section 4 of Act 141 of 1992, section 5 of Act 21 of 1995, section 4 of Act 36 of 1996, section 3 of Act 28 of 1997, section 22 of Act 30 of 1998, section 5 of Act 32 of 1999, section 15 of Act 30 of 2000, section 6 of Act 19 of 2001, section 11 of Act 30 of 2002, section 35 of Act 12 of 2003, section 6 of Act 16 of 2004, section 3 of Act 9 of 2005, section 7 of Act 31 of 2005, section 20 of Act 9 of 2006, section 5 of Act 8 of 2007, section 1 of Act 3 of 2008, section 7 of Act 60 of 2008, section 6 of Act 17 of 2009, section 8 of Act 7 of 2010, sections 6 and 9 of Act 24 of 2011, section 2 of Act 13 of 2012, section 4 of Act 23 of 2013, section 3 of Act 42 of 2014, section 4 of Act 13 of 2015, section 4 of Act 25 of 2015, section 5 of Act 13 of 2016, section 4 of Act 14 of 2017, section 3 of Act 21 of 2018, section 2 of Act 32 of 2019 and section 3 of Act 22 of 2020

2. (1) Section 6 of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (2) for paragraphs (a), (b) and (c) of the following paragraphs, respectively:

- “(a) a primary rebate, an amount of **[R14 958]** R15 714;
- (b) a secondary rebate, if the taxpayer was or, had he or she lived, would have been 65 years of age or older on the last day of the year of assessment, an amount of **[R8 199]** R8 613; and
- (c) a tertiary rebate if the taxpayer was or, had he or she lived, would have been 75 years of age or older on the last day of the year of assessment, an amount of **[R2 736]** R2 871.”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2021 and applies in respect of years of assessment commencing on or after that date.

Amendment of section 6A of Act 58 of 1962, as inserted by section 10 of Act 24 of 2011 and amended by section 3 of Act 13 of 2012, section 6 of Act 22 of 2012, section 5 of Act 23 of 2013, sections 6 and 7 of Act 31 of 2013, section 4 of Act 42 of 2014, section 5 of Act 13 of 2015, section 6 of Act 13 of 2016, section 5 of Act 14 of 2017, section 4 of Act 21 of 2018 and section 4 of Act 22 of 2020

3. (1) Section 6A of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (2)(b) for subparagraphs (i) and (ii) of the following subparagraphs, respectively:

- “(i) (aa) **[R319]** R332, in respect of benefits to the person, or if the person is not a member of a medical scheme or fund in respect of benefits to a dependant who is a member of a medical scheme or fund or a dependant of a member of a medical scheme or fund;
- (bb) **[R638]** R664, in respect of benefits to the person, and one dependant; or
- (cc) **[R638]** R664, in respect of benefits to two dependants; and;
- (ii) **[R215]** R224, in respect of benefits to each additional dependant,”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2021 and applies in respect of years of assessment commencing on or after that date.

Amendment of paragraph 9 of Seventh Schedule to Act 58 of 1962, as amended by section 31 of Act 96 of 1985, section 34 of Act 65 of 1986, section 29 of Act 85 of 1987, section 59 of Act 101 of 1990, section 53 of Act 113 of 1993, section 33 of Act 21 of 1994, section 51 of Act 28 of 1997, section 55 of Act 30 of 1998, section 55 of Act 30 of 2000, section 57 of Act 31 of 2005, section 29 of Act 9 of 2006, section 2 of Act 8 of 2007, section 68 of Act 35 of 2007, sections 1 and 48 of Act 3 of 2008, section 65 of Act 17 of 2009, section 104 of Act 24 of 2011, section 7 of Act 13 of 2012 and section 8 of Act 23 of 2013, section 6 of Act 42 of 2014, section 76 of Act 43 of 2014, section 7 of Act 13 of 2015, section 10 of Act 13 of 2016, section 13 of Act 14 of 2017, section 6 of Act 21 of 2018, section 3 of Act 32 of 2019 and section 8 of Act 22 of 2020

4. (1) Paragraph 9 of the Seventh Schedule to the Income Tax Act, 1962, is hereby amended by the substitution in subparagraph (3)(ii) for the words preceding the proviso of the following words:

“ ‘B’ represents an abatement equal to an amount of [**R83 100**] R87 300:”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2021 and applies in respect of years of assessment commencing on or after that date.

Amendment of Schedule 1 to Act 91 of 1964, as amended by section 19 of Act 95 of 1965, section 15 of Act 57 of 1966, section 2 of Act 96 of 1967, section 22 of Act 85 of 1968, section 37 of Act 105 of 1969, section 9 of Act 98 of 1970, section 2 of Act 89 of 1971, section 12 of Act 103 of 1972, section 6 of Act 68 of 1973, section 3 of Act 64 of 1974, section 13 of Act 71 of 1975, section 13 of Act 105 of 1976, section 38 of Act 112 of 1977, section 3 of Act 114 of 1981, section 27 of Act 86 of 1982, section 10 of Act 89 of 1984, section 14 of Act 101 of 1985, section 11 of Act 69 of 1988, section 19 of Act 68 of 1989, section 40 of Act 59 of 1990, section 3 of Act 111 of 1991, section 15 of Act 105 of 1992, section 13 of Act 98 of 1993, section 12 of Act 19 of 1994, section 74 of Act 45 of 1995, section 8 of Act 44 of 1996, section 15 of Act 27 of 1997, section 75 of Act 30 of 1998, section 7 of Act 32 of 1999, section 64 of Act 30 of 2000, section 52 of Act 19 of 2001, section 53 of Act 30 of 2002, section 41 of Act 12 of 2003, section 155 of Act 45 of 2003, section 36 of Act 16 of 2004, section 14 of Act 9 of 2005, section 36 of Act 9 of 2006, section 76 of Act 8 of 2007, section 66 of Act 3 of 2008, section 88 of Act 17 of 2009, section 117 of Act 7 of 2010, section 127 of Act 24 of 2011, section 14 of Act 13 of 2012, section 9 of Act 23 of 2013, section 7 of Act 42 of 2014, section 8 of Act 13 of 2015, section 13 of Act 13 of 2016, section 18 of Act 14 of 2017, section 7 of Act 21 of 2018, section 4 of Act 32 of 2019 and section 9 of Act 22 of 2020

5. (1) Schedule No. 1 to the Customs and Excise Act, 1964 (Act No. 91 of 1964), is hereby amended as set out in Schedule II to this Act.

(2) Subject to section 58(1) of the Customs and Excise Act, 1964, the amendments set out in Schedule II to this Act are deemed to have come into operation on 24 February 2021.

Amendment of section 5 of Act 15 of 2019, as amended by section 10 of Act 22 of 2020

6. (1) Section 5 of the Carbon Tax Act, 2019, is hereby amended by the substitution for subsection (1) of the following subsection:

“(1) The rate of the carbon tax on greenhouse gas emissions must, subject to subsections (2) and (3), be imposed at an amount of [**R127**] R134 per ton carbon dioxide equivalent of the greenhouse gas emissions of a taxpayer.”.

(2) Subsection (1) is deemed to have come into operation on 1 January 2021.

Amendment of section 2 of Act 22 of 2020

7. (1) Section 2 of the the Rates and Monetary Amounts and Amendment of Revenue Laws Act, 2020, is hereby amended—

(a) by the insertion after subsection (1) of the following subsection:

“(1A) The rate of tax fixed by Parliament in terms of section 48B(1) of the Income Tax Act, 1962, is set out in paragraph 7A of Schedule I.”;

(b) by the addition of the following subsection:

“(3) The rate of tax referred to in subsection (1A) applies in respect of the taxable turnover of a person that is a registered micro business as defined in paragraph 1 of the Sixth Schedule to the Income Tax Act, 1962, in respect of any year of assessment commencing on or after 1 March 2020.”. 5

(c) by the substitution in subsection (2) for the words preceding paragraph (a) of the following words:

“Subject to subsection [(4)] (3), the rates of tax referred to in subsection (1) apply in respect of—”. 10

(2) Subsection (1) is deemed to have come into operation on 20 January 2021.

Amendment of Schedule 1 to Act 22 of 2020

8. (1) Schedule I to the the Rates and Monetary Amounts and Amendment of Revenue Laws Act, 2020, is hereby amended—

(a) by the insertion after paragraph 7 of the following paragraph: 15

“**7A.** The rate of tax referred to in section 2(1A) to be levied in respect of the taxable turnover of a person that is a registered micro business as defined in paragraph 1 of the Sixth Schedule to the Income Tax Act, 1962, in respect of any year of assessment commencing on or after 1 March 2020 is set out in the table below: 20

Taxable turnover	Rate of tax	
Not exceeding R335 000	0 per cent of taxable turnover	
Exceeding R335 000 but not exceeding R500 000	1 per cent of amount by which taxable turnover exceeds R335 000	25
Exceeding R500 000 but not exceeding R750 000	R1 650 plus 2 per cent of amount by which taxable turnover exceeds R500 000	30
Exceeding R750 000	R6 650 plus 3 per cent of amount by which taxable turnover exceeds R750 000	35

(b) by the insertion after paragraph 10 of the following paragraph:

“**10A.** The rate of tax set out in paragraph 7A is the rate required to be fixed by Parliament in accordance with the provisions of section 48B(1) of the Income Tax Act, 1962.”.

(2) Subsection (1) is deemed to have come into operation on 20 January 2021. 40

Short title

9. This Act is called the Rates and Monetary Amounts and Amendment of Revenue Laws Act, 2021.