

REPUBLIC OF SOUTH AFRICA

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# **RATES AND MONETARY AMOUNTS AND AMENDMENT OF REVENUE LAWS BILL**

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

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(MINISTER OF FINANCE)

**[B 26—2020]**

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## GENERAL EXPLANATORY NOTE:

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

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

# BILL

To fix the rates of normal tax; to amend the Transfer Duty Act, 1949; so as to amend transfer duty monetary thresholds; 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 the rate of tax; and to provide for matters connected therewith.

**B**E IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

Amendment of section 2 of Act 40 of 1949, as amended by section 1 of Act 59 of 1951, section 1 of Act 31 of 1953, section 1 of Act 32 of 1954, section 2 of Act 77 of 1964, section 1 of Act 56 of 1966, section 2 of Act 66 of 1973, section 3 of Act 88 of 1974, section 5 of Act 106 of 1980, section 3 of Act 87 of 1988, section 2 of Act 136 of 1992, section 3 of Act 97 of 1993, section 1 of Act 37 of 1995, section 9 of Act 37 of 1996, section 2 of Act 32 of 1999, section 2 of Act 30 of 2002, section 31 of Act 12 of 2003, section 1 of Act 16 of 2004, section 1 of Act 9 of 2005, section 1 of Act 31 of 2005, section 14 of Act 9 of 2006, section 2 of Act 18 of 2009, section 2 of Act 24 of 2011, section 2 of Act 13 of 2015, section 2 of Act 13 of 2016 and section 2 of Act 14 of 2017

1. (1) Section 2 of the Transfer Duty Act, 1949, is hereby amended by the substitution in subsection (1)(b) for subparagraphs (i) to (vi) of the following subparagraphs:

- “(i) 0 per cent of so much of the said value or the said amount, as the case may be, as does not exceed **[R900 000]** R1 million; 15
- (ii) 3 per cent of so much of the said value or the said amount, as the case may be, as exceeds **[R900 000]** R1 million but does not exceed **[R1,25 million]** R1,375 million;
- (iii) 6 per cent of so much of the said value or the said amount, as the case may be, as exceeds **[R1,25 million]** R1,375 million but does not exceed **[R1,75 million]** R1,925 million; 20
- (iv) 8 per cent of so much of the said value or the said amount, as the case may be, as exceeds **R1,75 million]** R1,925 million but does not exceed **[R2,25 million]** R2,475 million; 25
- (v) 11 per cent of so much of the said value or the said amount, as the case may be, as exceeds **[R2,25 million]** R2,475 million but does not exceed **[R10 million]** R11 million; and

- (vi) 13 per cent of so much of the said value or the said amount, as the case may be, as exceeds **[R10 million]** R11 million.”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2020 and applies in respect of property acquired or interest or restriction in any property renounced on or after that date.

### **Fixing of rates of normal tax**

**2.** (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 8 of Schedule I.

(2) 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 2020;
- (b) any company for any year of assessment ending on or after 1 April 2020; and
- (c) any trust (other than a special trust) for any year of assessment commencing on or after 1 March 2020.

**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 and section 2 of Act 32 of 2019**

**3.** (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 220]** R14 958;
- (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 **[R7 794]** R8 199; 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 601]** R2 736.”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2020 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 and section 4 of Act 21 of 2018**

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

- “(i) **[R310]** R319, in respect of benefits to the person;
- (ii) **[R620]** R638, in respect of benefits to the person and one dependant; or
- (iii) **[R620]** R638, in respect of benefits to the person and one dependant, plus **[R209]** R215, in respect of benefits to each additional dependant.”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2020 and applies in respect of years of assessment commencing on or after that date.

**Amendment of section 8 of Act 58 of 1962, as amended by section 6 of Act 90 of 1962, section 6 of Act 90 of 1964, section 9 of Act 88 of 1965, section 10 of Act 55 of 1966, section 10 of Act 89 of 1969, section 6 of Act 90 of 1972, section 8 of Act 85 of 1974, section 7 of Act 69 of 1975, section 7 of Act 113 of 1977, section 8 of Act 94 of 1983, section 5 of Act 121 of 1984, section 4 of Act 96 of 1985, section 5 of Act 65 of 1986, section 6 of Act 85 of 1987, section 6 of Act 90 of 1988, section 5 of Act 101 of 1990, section 9 of Act 129 of 1991, section 6 of Act 141 of 1992, section 4 of Act 113 of 1993, section 6 of Act 21 of 1994, section 8 of Act 21 of 1995, section 6 of Act 36 of 1996, section 6 of Act 28 of 1997, section 24 of Act 30 of 1998, section 14 of Act 53 of 1999, section 17 of Act 30 of 2000, section 6 of Act 59 of 2000, section 7 of Act 19 of 2001, section 21 of Act 60 of 2001, section 12 of Act 30 of 2002, section 11 of Act 74 of 2002, section 18 of Act 45 of 2003, section 6 of Act 32 of 2004, section 4 of Act 9 of 2005, section 21 of Act 9 of 2006, section 5 of Act 20 of 2006, section 6 of Act 8 of 2007, section 9 of Act 35 of 2007, sections 1 and 5 of Act 3 of 2008, section 9 of Act 60 of 2008, section 11 of Act 17 of 2009, section 10 of Act 7 of 2010, section 16 of Act 24 of 2011, section 271 of Act 28 of 2011, read with paragraph 30 of Schedule 1 to that Act, section 9 of Act 22 of 2012, section 9 of Act 31 of 2013, section 5 of Act 42 of 2014, section 5 of Act 43 of 2014, section 8 of Act 25 of 2015 and section 6 of Act 14 of 2017**

5. (1) Section 8 of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (1)(b)(iiiA)(bb) for subitems (A) and (B) of the following subitems respectively:

- “(A) the wear and tear of that vehicle must be determined over a period of seven years from the date of original acquisition by that recipient and the cost of the vehicle must for this purpose be limited to **[R595 000]** R665 000, or such other amount determined by the Minister by notice in the *Gazette*; and
- (B) the finance charges in respect of any debt incurred in respect of the purchase of that vehicle must be limited to an amount which would have been incurred had the original debt been **[R595 000]** R665 000, or such other amount determined by the Minister in terms of subitem (A);”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2020 and applies in respect of years of assessment commencing on or after that date.

**Amendment of section 10 of Act 58 of 1962, as amended by section 8 of Act 90 of 1962, section 7 of Act 72 of 1963, section 8 of Act 90 of 1964, section 10 of Act 88 of 1965, section 11 of Act 55 of 1966, section 10 of Act 95 of 1967, section 8 of Act 76 of 1968, section 13 of Act 89 of 1969, section 9 of Act 52 of 1970, section 9 of Act 88 of 1971, section 7 of Act 90 of 1972, section 7 of Act 65 of 1973, section 10 of Act 85 of 1974, section 8 of Act 69 of 1975, section 9 of Act 103 of 1976, section 8 of Act 113 of 1977, section 4 of Act 101 of 1978, section 7 of Act 104 of 1979, section 7 of Act 104 of 1980, section 8 of Act 96 of 1981, section 6 of Act 91 of 1982, section 9 of Act 94 of 1983, section 10 of Act 121 of 1984, section 6 of Act 96 of 1985, section 7 of Act 65 of 1986, section 3 of Act 108 of 1986, section 9 of Act 85 of 1987, section 7 of Act 90 of 1988, section 36 of Act 9 of 1989, section 7 of Act 70 of 1989, section 10 of Act 101 of 1990, section 12 of Act 129 of 1991, section 10 of Act 141 of 1992, section 7 of Act 113 of 1993, section 4 of Act 140 of 1993, section 9 of Act 21 of 1994, section 10 of Act 21 of 1995, section 8 of Act 36 of 1996, section 9 of Act 46 of 1996, section 1 of Act 49 of 1996, section 10 of Act 28 of 1997, section 29 of Act 30 of 1998, section 18 of Act 53 of 1999, section 21 of Act 30 of 2000, section 13 of Act 59 of 2000, sections 9 and 78 of Act 19 of 2001, section 26 of Act 60 of 2001, section 13 of Act 30 of 2002, section 18 of Act 74 of 2002, section 36 of Act 12 of 2003, section 26 of Act 45 of 2003, sections 8 and 62 of Act 16 of 2004, section 14 of Act 32 of 2004, section 5 of Act 9 of 2005, section 16 of Act 31 of 2005, section 23 of Act 9 of 2006, sections 10 and 101 of Act 20 of 2006, sections 2, 10, 88 and 97 of Act 8 of 2007, section 2 of Act 9 of 2007, section 16 of Act 35 of 2007, sections 1 and 9 of Act 3 of 2008, section 2 of Act 4 of 2008, section 16 of Act 60 of 2008, sections 13 and 95 of Act 17 of 2009, section 18 of Act 7 of 2010, sections 28 and 160 of Act 24 of 2011, section 271 of Act 28 of 2011, read with item 31 of Schedule 1 to that Act, sections 19, 144, 157 and 166 of Act 22 of 2012, section 23 of Act 31 of 2013, section 14 of Act 43 of 2014,**

**section 16 of Act 25 of 2015, section 23 of Act 15 of 2016, section 16 of Act 17 of 2017,  
section 22 of Act 23 of 2018 and section 13 of Act 34 of 2019**

6. (1) Section 10 of the Income Tax Act, 1962, is hereby amended by the substitution in paragraph (o)(i) for the words preceding item (aa) of the following words:  
 “to the extent to which that remuneration does not exceed [**one million Rand**] **5**  
R1,25 million in respect of a year of assessment and is received by or accrues to any  
 employee during any year of assessment by way of any salary, leave pay, wage,  
 overtime pay, bonus, gratuity, commission, fee, emolument or allowance, including  
 any amount referred to in paragraph (i) of the definition of gross income in section  
 1 or an amount referred to in section 8, 8B or 8C, in respect of services rendered **10**  
 outside the Republic by that employee for or on behalf of any employer, if that  
 employee was outside the Republic—”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2020 and  
 applies in respect of years of assessment commencing on or after that date.

**Amendment of section 12T of Act 58 of 1962, as amended by section 29 of Act 25 of **15**  
2015**

7. (1) Section 12T of the Income Tax Act, 1962, is hereby amended—  
 (a) by the substitution in subsection (4) for paragraph (a) of the following  
 paragraph:  
 “(a) limited to an amount of [**R33 000**] R36 000 in aggregate during any **20**  
 year of assessment;” and  
 (b) by the substitution in subsection (7), for paragraph (a) of the following  
 paragraph:  
 “(a) If during any year of assessment any person contributes in excess of  
 the amount of [**R33 000**] R36 000 in respect of tax free investments, **25**  
 an amount equal to 40 per cent of that excess is deemed to be an  
 amount of normal tax payable by the person contemplated  
 in subsection (1)(b) in respect of that year of assessment.”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2020 and  
 applies in respect of years of assessment commencing on or after that date. **30**

**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 **35**  
 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, 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 and  
 section 6 of Act 21 of 2018 **40****

8. (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 [**R79 000**] R83 100”.

(2) Subsection (1) is deemed to have come into operation on 1 March 2020 and **45**  
 applies in respect of years of assessment commencing on or after that date.

**Amendment of Schedules 1 and 6 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, **50**  
 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 **55**  
 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**