

DEPARTMENT OF FINANCE: INLAND REVENUE  
OFFICE OF THE COMMISSIONER FOR INLAND REVENUE  
PRACTICE NOTE: NO 42  
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INCOME TAX: PROCESSES OF MANUFACTURE, PROCESSES SIMILAR TO A  
PROCESS OF MANUFACTURE AND PROCESSES NOT REGARDED AS  
PROCESSES OF MANUFACTURE OR PROCESSES SIMILAR TO A PROCESS  
OF MANUFACTURE

**Annexure "A"**

**PROCESSES SIMILAR TO A PROCESS OF MANUFACTURE**

1. The construction of piles on site by means of the digging of holes and the casting of concrete pillars. (The manufacture or pre-casting of piles other than on site, is however, regarded as a process of manufacture).
2. Dry-cleaning.
3. Laundering.
4. Construction of buildings, including plumbing and sewerage.
5. Construction of roads.
6. Production of cold air for refrigeration purposes.
7. Earthmoving, including the removal of spoil which results from the excavation work.
8. Shoe repairing.
9. Photography.
10. Panel beating and spray painting.
11. Dyeing.
12. Packing and pressing of wool.
13. Re-conditioning of oil and other drums.
14. Machining and fabrication of auto electrical parts.
15. Printing of maps by photogrammatic and cartographic processes.
16. Preparation of shredded paper for packing purposes.
17. Pressure impregnation and creosote treatment of timber.
18. Filming and processing of motion pictures.
19. Generation and transformation of electricity. (It should be noted that the allowance is only in respect of equipment where it is situated on the premises on which a manufacturing or similar process is carried on.)
20. The liquefaction of eggs.
21. Erection of structures and installation of machinery, involving the use of heavy mobile cranes.
22. Preparation for painting of steelwork and insulation of pipes and vessels against loss of heat. (The allowances will only be granted if the work relates to construction projects and is not maintenance work.)
23. Manufacture of bird or poultry food.
24. Manufacture of split peas and drying of grain.
25. Screening and cleaning farm seeds and grain.
26. Repair of grain and other bags.
27. The sinking of boreholes.
28. Electroplating.
29. Slaughtering and preparing chickens for the market.
30. Glazing of spectacle frames and cutting of lenses.
31. Purification of sand for the manufacture of glass.
32. Pre-delivery service of new motor vehicles.
33. Classification of sand.
34. Testing and analysing of ground samples relating to the construction of roads.
35. Reconditioning of motor vehicle engines.
36. Repairing of lawnmowers and sharpening and mounting of lawnmower blades.
37. The bulk sorting, waahing and packing by machine, of fruit and vegetables.
38. Cutting, polishing, bevelling, shaping and mitring of glass.
39. Collecting and baling of waste paper for industrial use.
40. Sawing, planing, rebating and grooving of rough planks to produce structural timber for use in building work.
41. Blending of substances, conversion of solids to liquids and vice versa, and conversion of liquids to gases and vice versa.
42. Cooking, preparing and packing of chickens on a substantial scale for sale and delivery to distributors.

43. The operation of an abattoir.
44. Reconditioning, repair and re-painting of containers.
45. Sorting, washing, screening and classifying of coal in dumps by reclaiming undertakings.
46. Filming and processing by radiologists of X-ray photographs, including image intensification and cinematography, for the purposes of diagnosis. (The allowance is not available in respect of equipment used by radiologists for therapeutical purposes.)
47. Drying and curing of tobacco (excluding farmers.)
48. Pressure sand and waterblasting, mechanical descaling and spray painting of ships and metal structures.
49. The preparation and freezing of vegetables.
50. Reconditioning of injector pumps and turbocharges for diesel engines.
51. Quarrying operations.
52. Installation of communal antenna and professional cable systems.
53. Drying of biltong.
54. Building of bridges.
55. Construction and reconstruction of railway tracks.
56. Stripping of beans from the plants (separation of beans from leaves and stalks)(excluding farmers).
57. Preparation of computer software.
58. Sorting of seeds and submitting such seeds to chemical treatment.
59. Bulk processing of meat.
60. Construction of sewerage mains, sewerage reticulation, water mains, water reticulation and storm water drainage.
61. Blister-forming packaging process.
62. Processing sewerage into a form suitable for lawful disposal.
63. Slicing and drying of mushrooms.
64. Sorting and classification of waste paper.
65. Mixing cement grout for pumping into cavities for sealing water for the support of hanging and side walls and grout packs.
66. Recycling and reconditioning of conveyor belts.
67. Cleaning, grading, treating and pelletising of bulk seed and bulbs.
68. Cryovac vacuumising process and blast freezing of dissected meat.
69. Reconditioning of brake shoes and clutch facings and rebuilding of pressure plates.

## Annexure "B"

### PROCESSES OF MANUFACTURE

1. Smoking of fish.
2. Vulcanizing of tyres.
3. Crushing of stone.
4. Felling, trimming, debarking and cutting into specified lengths of forest produce (excluding farmers).
5. Manufacture of ice.
6. Manufacture of adhesive tape.
7. Process of chipping board for the purpose of paper manufacture.
8. Printing.
9. Manufacture of laminated wood, plywood, ceilingrack and scaffolding board.
10. Process of heat treatment of steel.
11. Process of testing, clearing, blending and packing of tea.
12. The following processes carried on by the dairy industry:
  - 12.1 The pasteurisation of milk and by-products.
  - 12.2 The sterilization of milk and by-products.
  - 12.3 The manufacture of by-products such as yoghurt, maas and cream.
  - 12.4 The manufacture of ice-cream and frozen foods.
  - 12.5 The manufacture of butter and cheese.
  - 12.6 The processing of fruit juices.
13. Photographic print manufacture (processing, developing and printing of films).
14. Process of cutting blocks and the drying and chemical handling of cut wood.
15. Reconditioning of motor vehicle engines by automotive engineering establishments registered by the National Industrial Council for the Motor Industry. The following items qualify:
  - 15.1 Crankshaft grinding equipment.
  - 15.2 Reboring and honing equipment.
  - 15.3 Line boring equipment.
  - 15.4 Connecting rod reconditioning machines.
  - 15.5 Automotive surface-grinders.
  - 15.6 Engine dynamometers.

16. Manufacture of dental plates, crowns and other dental appliances dental laboratory, operated as an entire business separate from the taxpayer's profession as a dentist.
  17. Manufacture of high density polyethylene and polypropylene.
  18. Manufacture of polyphosphoric acid.
  19. Manufacture of stationary and mobile earthmoving equipment, cylinder heads and crankshafts for diesel engines.
  20. Manufacture of aircraft cylinders and rebuilding of aircraft propellers.
  21. Processing, freezing and packaging of fish.
  22. Cement manufacture.
  23. Granite quarrying and cutting and drilling granite boulders into blocks of various sizes.
  24. Galvanising of iron.
  25. Retreading of tyres.
  26. Manufacture of bricks.
  27. Baking of bread.
  28. Manufacture and assembling of motor vehicles.
  29. Chemical vacuum pressure treatment of timber.
  30. Manufacture of various types of sausages, salami, ham and bacon, etc.
  31. Cutting steel into required lengths, bending, assembly and welding of cages and base mats for re-inforcement purposes.
  32. Recording on master-disc coupled with the production of a number of records from such disc.
  33. Industrial dyeing.
  34. Manufacture of transmission line towers.
  35. Compressing scrap metal into bales for sale to foundries.
  36. Blending and mixing of tea.
  37. Manufacture or pre casting of piles other than on site.
  38. Converting weathered granite into building sand.
  39. "Commission dyeing" of raw yarn.
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## **Annexure "C"**

### **PROCESSES NOT REGARDED AS PROCESSES OF MANUFACTURE OR PROCESSES SIMILAR TO A PROCESS OF MANUFACTURE**

1. Processing business statistics by computer.
2. Incubation of eggs.
3. Processing of bills of quantities for the building and Construction industry by computer.
4. Apple sorting and packing plant of a farmer.
5. Operations of a computer bureau.
6. Production of eggs.
7. Motor garage keeper.
8. Dental surgery.
9. Processing of accounts data and the delivery of final statements.
10. Generation or transformation of electricity by a municipality.
11. Computer system for the production of quality assurance documents and drawings.
12. Job scheduling by computer.
13. Electronic diagnosis of samples taken from the human body.
14. Computer aided design system.
15. Storing of perishable products on behalf of various clients at chiller and freezer plants.
16. Data capturing system used for instalment accounting in a batch environment.
17. Cultivating and production of seeds.
18. Vacuum packing.
19. Erection of transmission line towers on site.