

REPUBLIC OF SOUTH AFRICA

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

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*(As amended by the Standing Committee on Finance)  
(The English text is the official text of the Bill)*

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(MINISTER OF FINANCE)

**[B 26B—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.

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## **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) and (ii) of the following subparagraphs, respectively:

- “(i) (aa) [R310] R319, 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) [R620] R638, in respect of benefits to the person, and one dependant; or
- (cc) [R620] R638, in respect of benefits to two dependants; and;
- (ii) [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**] **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 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 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 year of assessment;”;

(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, 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.

**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, 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**

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 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, 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 and section 4 of Act 32 of 2019 5

9. (1) Schedule No. 1 to the Customs and Excise Act, 1964 (Act No. 91 of 1964), is hereby amended as set out in Parts I and II of Schedule II to this Act. 10

(2) Subject to section 58(1) of the Customs and Excise Act, 1964, the amendments set out in Parts I and II of Schedule II to this Act are deemed to have come into operation on 26 February 2020.

(3) Schedule No. 6 to the Customs and Excise Act, 1964 (Act No. 91 of 1964), is hereby amended as set out in Part III of Schedule II to this Act. 15

(4) Subject to section 58(1) of the Customs and Excise Act, 1964, the amendments set out in Part III of Schedule II to this Act are deemed to have come into operation on 26 February 2020.

#### **Amendment of section 5 of Act 15 of 2019**

10. (1) Section 5 of the Carbon Tax Act, 2019 (Act No. 15 of 2019), is hereby 20 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 [R120] R127 per ton carbon dioxide equivalent of the greenhouse gas emissions of a taxpayer.”.

(2) Subsection (1) is deemed to have come into operation 1 January 2020. 25

#### **Short title**

11. This Act is called the Rates and Monetary Amounts and Amendment of Revenue Laws Act, 2020.

**SCHEDULE I***(Section 2)***RATES OF NORMAL TAX**

1. The rate of tax referred to in section 2(1) to be levied in respect of the taxable income (excluding any retirement fund lump sum benefit, retirement fund lump sum withdrawal benefit or severance benefit) of any natural person, deceased estate, insolvent estate or special trust in respect of any year of assessment commencing on or after 1 March 2020 is set out in the table below:

<b>Taxable income</b>	<b>Rate of tax</b>
Not exceeding R205 900	18 per cent of taxable income
Exceeding R205 900 but not exceeding R321 600	R37 062 plus 26 per cent of amount by which taxable income exceeds R205 900
Exceeding R321 600 but not exceeding R445 100	R67 144 plus 31 per cent of amount by which taxable income exceeds R321 600
Exceeding R445 100 but not exceeding R584 200	R105 429 plus 36 per cent of amount by which taxable income exceeds R445 100
Exceeding R584 200 but not exceeding R744 800	R155 505 plus 39 per cent of amount by which taxable income exceeds R584 200
Exceeding R744 800 but not exceeding R1 577 300	R218 139 plus 41 per cent of amount by which taxable income exceeds R744 800
Exceeding R1 577 300	R559 464 plus 45 per cent of amount by which taxable income exceeds R1 577 300

2. The rate of tax referred to in section 2(1) to be levied in respect of the taxable income of a trust (other than a special trust or a public benefit organisation, recreational club or small business funding entity referred to in paragraph 4 in respect of any year of assessment commencing on or after 1 March 2020 is 45 per cent.

3. The rate of tax referred to in section 2(1) to be levied in respect of the taxable income of a company (other than a public benefit organisation, recreational club or small business funding entity referred to in paragraph 4 or a small business corporation referred to in paragraph 5 in respect of any year of assessment ending on or after 1 April 2020 is, subject to the provisions of paragraph 10, as follows:

- (a) 28 per cent of the taxable income of any company (excluding taxable income referred to in subparagraphs (b), (c) and (d));
- (b) in respect of the taxable income derived by any company from mining for gold on any gold mine with the exclusion of so much of the taxable income as the Commissioner determines to be attributable to the inclusion in the gross income of any amount referred to in paragraph (j) of the definition of "gross income" in section 1 of the Income Tax Act, 1962, but after the set-off of any assessed loss in terms of section 20(1) of that Act, a percentage determined in accordance with the formula:

$$y = 34 - \frac{170}{x}$$

in which formula  $y$  represents such percentage and  $x$  the ratio expressed as a percentage which the taxable income so derived (with the said exclusion, but before the set-off of any assessed loss or deduction which is not attributable to the mining for gold from the said mine) bears to the income so derived (with the said exclusion);

- (c) in respect of the taxable income of any company, the sole or principal business of which in the Republic is, or has been, mining for gold and the determination of the taxable income of which for the period assessed does not result in an assessed loss, which the Commissioner determines to be attributable to the inclusion in its gross income of any amount referred to in paragraph (j) of the definition of "gross income" in section 1 of the Income Tax Act, 1962, a rate equal to the average rate of normal tax or 28 per cent, whichever is higher: Provided that for the purposes of this subparagraph, the average rate of normal

tax shall be determined by dividing the total normal tax (excluding the tax determined in accordance with this subparagraph for the period assessed) paid by the company in respect of its aggregate taxable income from mining for gold on any gold mine for the period from which that company commenced its gold mining operations on that gold mine to the end of the period assessed, by the number of rands contained in the said aggregate taxable income; and

- (d) in respect of the taxable income derived by any company from carrying on long-term insurance business in respect of its—
- (i) individual policyholder fund, 30 per cent; and
  - (ii) company policyholder fund, risk policy fund and corporate fund, 28 per cent.

4. The rate of tax referred to in section 2(1) to be levied in respect of the taxable income of any public benefit organisation that has been approved by the Commissioner in terms of section 30(3) of the Income Tax Act, 1962, or any recreational club that has been approved by the Commissioner in terms of section 30A(2) of that Act or any small business funding entity that has been approved by the Commissioner in terms of section 30C(1) is 28 per cent—

- (a) in the case of an organisation, club or small business funding entity that is a company, in respect of any year of assessment ending on or after 1 April 2020; or
- (b) in the case of an organisation or small business funding entity that is a trust, in respect of any year of assessment commencing on or after 1 March 2020.

5. The rate of tax referred to in section 2(1) to be levied in respect of the taxable income of any company which qualifies as a small business corporation as defined in section 12E of the Income Tax Act, 1962, in respect of any year of assessment ending on or after 1 April 2020, subject to paragraph 7, is set out in the table below:

<b>Taxable income</b>	<b>Rate of tax</b>
Not exceeding R83 100	0 per cent of taxable income
Exceeding R83 100 but not exceeding R365 000	7 per cent of amount by which taxable income exceeds R83 100
Exceeding R365 000 but not exceeding R550 000	R19 733 plus 21 per cent of amount by which taxable income exceeds R365 000
Exceeding R550 000	R58 583 plus 28 per cent of amount by which taxable income exceeds R550 000

6. The rate of tax referred to in section 2(1) to be levied on taxable income attributable to income derived by a qualifying company within a special economic zone as contemplated in section 12R of the Income Tax Act, 1962, subject to paragraph 7, is 15 cents on each Rand of taxable income in respect of any year of assessment ending on or after 1 April 2020.

7. If a company is subject to both paragraphs 5 and 6 in respect of determining the rate of tax to be levied on an amount of taxable income of a company, the tax payable in respect of that amount of taxable income is the lesser of the tax determined under paragraph 5 and paragraph 6 in respect of that amount of taxable income.

8. (a) (i) If a retirement fund lump sum withdrawal benefit accrues to a person in any year of assessment commencing on or after 1 March 2020, the rate of tax referred to in section 2(1) to be levied on that person in respect of taxable income comprising the aggregate of—

- (aa) that retirement fund lump sum withdrawal benefit;
- (bb) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in subitem (aa);
- (cc) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in subitem (aa); and
- (dd) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in subitem (aa),

is set out in the table below:

<b>Taxable income from lump sum benefits</b>	<b>Rate of tax</b>
Not exceeding R25 000	0 per cent of taxable income
Exceeding R25 000 but not exceeding R660 000	18 per cent of amount by which taxable income exceeds R25 000
Exceeding R660 000 but not exceeding R990 000	R114 300 plus 27 per cent of amount by which taxable income exceeds R660 000
Exceeding R990 000	R203 400 plus 36 per cent of amount by which taxable income exceeds R990 000

(ii) The amount of tax levied in terms of item (i) must be reduced by an amount equal to the tax that would be leviable on the person in terms of that item in respect of taxable income comprising the aggregate of—

- (aa) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in item (i)(aa);
- (bb) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in item (i)(aa); and
- (cc) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the retirement fund lump sum withdrawal benefit contemplated in item (i)(aa).

(b) (i) If a retirement fund lump sum benefit accrues to a person in any year of assessment commencing on or after 1 March 2020, the rate of tax referred to in section 2(1) to be levied on that person in respect of taxable income comprising the aggregate of—

- (aa) that retirement fund lump sum benefit;
- (bb) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the retirement fund lump sum benefit contemplated in subitem (aa);
- (cc) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the retirement fund lump sum benefit contemplated in subitem (aa); and
- (dd) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the retirement fund lump sum benefit contemplated in subitem (aa),

is set out in the table below:

<b>Taxable income from lump sum benefits</b>	<b>Rate of tax</b>
<b>Taxable income from lump sum benefits</b>	<b>Rate of tax</b>
Not exceeding R500 000	0 per cent of taxable income
Exceeding R500 000 but not exceeding R700 000	18 per cent of amount by which taxable income exceeds R500 000
Exceeding R700 000 but not exceeding R1 050 000	R36 000 plus 27 per cent of amount by which taxable income exceeds R700 000
Exceeding R1 050 000	R130 500 plus 36 per cent of amount by which taxable income exceeds R1 050 000

(ii) The amount of tax levied in terms of item (i) must be reduced by an amount equal to the tax that would be leviable on the person in terms of that item in respect of taxable income comprising the aggregate of—

- (aa) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the retirement fund lump sum benefit contemplated in item (i)(aa);

- (bb) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the retirement fund lump sum benefit contemplated in item (i)(aa); and
  - (cc) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the retirement fund lump sum benefit contemplated in item (i)(aa).
- (c) (i) If a severance benefit accrues to a person in any year of assessment commencing on or after 1 March 2020, the rate of tax referred to in section 2(1) to be levied on that person in respect of taxable income comprising the aggregate of—
- (aa) that severance benefit;
  - (bb) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the severance benefit contemplated in subitem (aa);
  - (cc) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the severance benefit contemplated in subitem (aa); and
  - (dd) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the severance benefit contemplated in subitem (aa),

is set out in the table below:

<b>Taxable income from lump sum benefits</b>	<b>Rate of tax</b>
Not exceeding R500 000	0 per cent of taxable income
Exceeding R500 000 but not exceeding R700 000	18 per cent of amount by which taxable income exceeds R500 000
Exceeding R700 000 but not exceeding R1 050 000	R36 000 plus 27 per cent of amount by which taxable income exceeds R700 000
Exceeding R1 050 000	R130 500 plus 36 per cent of amount by which taxable income exceeds R1 050 000

(ii) The amount of tax levied in terms of item (i) must be reduced by an amount equal to the tax that would be leviable on the person in terms of that item in respect of taxable income comprising the aggregate of—

- (aa) severance benefits received by or accrued to that person on or after 1 March 2011 and prior to the accrual of the severance benefit contemplated in item (i)(aa);
- (bb) retirement fund lump sum withdrawal benefits received by or accrued to that person on or after 1 March 2009 and prior to the accrual of the severance benefit contemplated in item (i)(aa); and
- (cc) retirement fund lump sum benefits received by or accrued to that person on or after 1 October 2007 and prior to the accrual of the severance benefit contemplated in item (i)(aa).

**9.** The rates of tax set out in paragraphs 1 to 8 are the rates required to be fixed by Parliament in accordance with the provisions of section 5(2) of the Income Tax Act, 1962.

**10.** For the purposes of this Schedule, income derived from mining for gold includes any income derived from silver, osmiridium, uranium, pyrites or other minerals which may be won in the course of mining for gold and any other income which results directly from mining for gold.

## Schedule II

## (Part I)

## (Section 7)

## AMENDMENT OF PART 2A OF SCHEDULE NO. 1 TO CUSTOMS AND EXCISE ACT, 1964

Tariff Item	Tariff subheading	Article Description	2020/21 Rate of Excise Duty
<b>104.00</b>	<b>PREPARED FOODSTUFFS; BEVERAGES, SPIRITS AND VINEGAR; TOBACCO</b>		
<b>104.01</b>	<b>19.01</b>	<b>Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40 per cent by mass of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of headings 04.01 to 04.04, not containing cocoa or containing less than 5 per cent by mass of cocoa calculated on a totally defatted basis not elsewhere specified or included:</b>	
104.01.10	1901.90.20	Traditional African beer powder as defined in Additional Note 1 to Chapter 19	34,7c/kg
<b>104.10</b>	<b>22.03</b>	<b>Beer made from malt:</b>	
104.10.10	2203.00.05	Traditional African beer as defined in Additional Note 1 to Chapter 22	7,82c/li
104.10.20	2203.00.90	Other	R106.56/li aa
<b>104.15</b>	<b>22.04</b>	<b>Wine of fresh grapes, including fortified wines; grape must (excluding that of heading 20.09):</b>	
104.15.01	2204.10	Sparkling wine	R14.36/li
<b>104.15</b>	<b>2204.21</b>	<b>In containers holding 2 li or less:</b>	
<b>104.15</b>	<b>2204.21.4</b>	<b>Unfortified wine:</b>	
104.15.03	2204.21.41	With an alcoholic strength of at least 4,5 per cent by volume but not exceeding 16,5 per cent by vol.	R4.39/li
104.15.04	2204.21.42	Other	R213.13/li aa
<b>104.15</b>	<b>2204.21.5</b>	<b>Fortified wine:</b>	
104.15.05	2204.21.51	With an alcoholic strength of at least 15 per cent by volume but not exceeding 22 per cent by vol.	R7.34/li
104.15.06	2204.21.52	Other	R213.13/li aa
<b>104.15</b>	<b>2204.22</b>	<b>In containers holding more than 2 li but not more than 10 li:</b>	
<b>104.15</b>	<b>2204.22.4</b>	<b>Unfortified wine:</b>	
104.15.13	2204.22.41	With an alcoholic strength of at least 4,5 per cent by volume but not exceeding 16,5 per cent by vol.	R4.39/li
104.15.15	2204.22.42	Other	R213.13/li aa
<b>104.15</b>	<b>2204.22.5</b>	<b>Fortified wine:</b>	
104.15.17	2204.22.51	With an alcoholic strength of at least 15 per cent by volume but not exceeding 22 per cent by vol.	R7.34/li
104.15.19	2204.22.52	Other	R213.13/li aa
<b>104.15</b>	<b>2204.29</b>	<b>Other:</b>	
<b>104.15</b>	<b>2204.29.4</b>	<b>Unfortified wine:</b>	
104.15.21	2204.29.41	With an alcoholic strength of at least 4,5 per cent by volume but not exceeding 16,5 per cent by vol.	R4.39/li
104.15.23	2204.29.42	Other	R213.13/li aa
<b>104.15</b>	<b>2204.29.5</b>	<b>Fortified wine:</b>	
104.15.25	2204.29.51	With an alcoholic strength of at least 15 per cent by volume but not exceeding 22 per cent by vol.	R7.34/li
104.15.27	2204.29.52	Other	R213.13/li aa
<b>104.16</b>	<b>22.05</b>	<b>Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances:</b>	
<b>104.16</b>	<b>2205.10</b>	<b>In containers holding 2 li or less:</b>	
104.16.01	2205.10.10	Sparkling	R14.36/li
<b>104.16</b>	<b>2205.10.2</b>	<b>Unfortified:</b>	

Tariff Item	Tariff subheading	Article Description	2020/21 Rate of Excise Duty
104.16.03	2205.10.21	With an alcoholic strength of at least 4.5 per cent by volume but not exceeding 15 per cent by vol.	R4.39/li
104.16.04	2205.10.22	Other	R213.13/li aa
<b>104.16</b>	<b>2205.10.3</b>	<b>Fortified:</b>	
104.16.05	2205.10.31	With an alcoholic strength of at least 15 per cent by volume but not exceeding 22 per cent by vol.	R7.34/li
104.16.06	2205.10.32	Other	R213.13/li aa
<b>104.16</b>	<b>2205.90</b>	<b>Other:</b>	
<b>104.16</b>	<b>2205.90.2</b>	<b>Unfortified:</b>	
104.16.09	2205.90.21	With an alcoholic strength of at least 4.5 per cent by volume but not exceeding 15 per cent by vol.	R4.39/li
104.16.10	2205.90.22	Other	R213.13/li aa
<b>104.16</b>	<b>2205.90.3</b>	<b>Fortified:</b>	
104.16.11	2205.90.31	With an alcoholic strength of at least 15 per cent by volume but not exceeding 22 per cent by vol.	R7.34/li
104.16.12	2205.90.32	Other	R213.13/li aa
<b>104.17</b>	<b>22.06</b>	<b>Other fermented beverages (for example, cider, perry, mead, saké); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included:</b>	
104.17.03	2206.00.05	Sparkling fermented fruit or mead beverages; mixtures of sparkling fermented beverages derived from the fermentation of fruit or honey; mixtures of sparkling fermented fruit or mead beverages and non-alcoholic beverages	R14.36/li
104.17.05	2206.00.15	Traditional African beer as defined in Additional Note 1 to Chapter 22	7,82c/li
104.17.07	2206.00.17	Other fermented beverages, unfortified, with an alcoholic strength of less than 2.5 per cent by volume	R106.56/li aa
104.17.09	2206.00.19	Other fermented beverages of non-malted cereal grains, unfortified, with an alcoholic strength of at least 2.5 per cent by volume but not exceeding 9 per cent by vol.	R106.56/li aa
104.17.11	2206.00.21	Other mixtures of fermented beverages of non-malted cereal grains and non-alcoholic beverages, unfortified, with an alcoholic strength of at least 2.5 per cent by volume but not exceeding 9 per cent by vol.	R106.56/li aa
104.17.15	2206.00.81	Other fermented apple or pear beverages, unfortified, with an alcoholic strength of at least 2.5 per cent by volume but not exceeding 15 per cent by vol.	R106.56/li aa
104.17.16	2206.00.82	Other fermented fruit beverages and mead beverages, including mixtures of fermented beverages derived from the fermentation of fruit or honey, unfortified, with an alcoholic strength of at least 2.5 per cent by volume but not exceeding 15 per cent by vol.	R106.56/li aa
104.17.17	2206.00.83	Other fermented apple or pear beverages, fortified, with an alcoholic strength of at least 15 per cent by volume but not exceeding 23 per cent by vol.	R85.25/li aa
104.17.21	2206.00.84	Other fermented fruit beverages and mead beverages including mixtures of fermented beverages derived from the fermentation of fruit or honey, fortified, with an alcoholic strength of at least 15 per cent by volume but not exceeding 23 per cent by vol.	R85.25/li aa
104.17.22	2206.00.85	Other mixtures of fermented fruit or mead beverages and non-alcoholic beverages, unfortified, with an alcoholic strength of at least 2.5 per cent by volume but not exceeding 15 per cent by vol.	R106.56/li aa
104.17.25	2206.00.87	Other mixtures of fermented fruit or mead beverages and non-alcoholic beverages, fortified, with an alcoholic strength of at least 15 per cent by volume but not exceeding 23 per cent by vol.	R85.25/li aa
104.17.90	2206.00.90	Other	R213.13/li aa

Tariff Item	Tariff subheading	Article Description	2020/21 Rate of Excise Duty
<b>104.21</b>	<b>22.07</b>	<b>Undenatured ethyl alcohol of an alcoholic strength by volume of 80 per cent by vol. or higher; ethyl alcohol and other spirits, denatured, of any strength:</b>	
104.21.01	2207.10	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 per cent by vol. or higher	R213.13/li aa
104.21.03	2207.20	Ethyl alcohol and other spirits, denatured, of any strength	R213.13/li aa
<b>104.23</b>	<b>22.08</b>	<b>Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 per cent vol.; spirits, liqueurs and other spirituous beverages:</b>	
<b>104.23</b>	<b>2208.20</b>	<b>Spirits obtained by distilling grape wine or grape marc:</b>	
<b>104.23</b>	<b>2208.20.1</b>	<b>In containers holding 2 li or less:</b>	
104.23.01	2208.20.11	Brandy as defined in Additional Note 7 to Chapter 22	R191.82/li aa
104.23.02	2208.20.19	Other	R213.13/li aa
<b>104.23</b>	<b>2208.20.9</b>	<b>Other:</b>	
104.23.03	2208.20.91	Brandy as defined in Additional Note 7 to Chapter 22	R191.82/li aa
104.23.04	2208.20.99	Other	R213.13/li aa
<b>104.23</b>	<b>2208.30</b>	<b>Whiskies:</b>	
104.23.05	2208.30.10	In containers holding 2 li or less	R213.13/li aa
104.23.07	2208.30.90	Other	R213.13/li aa
<b>104.23</b>	<b>2208.40</b>	<b>Rum and other spirits obtained by distilling fermented sugarcane products:</b>	
104.23.09	2208.40.10	In containers holding 2 li or less	R213.13/li aa
104.23.11	2208.40.90	Other	R213.13/li aa
<b>104.23</b>	<b>2208.50</b>	<b>Gin and Geneva:</b>	
104.23.13	2208.50.10	In containers holding 2 li or less	R213.13/li aa
104.23.15	2208.50.90	Other	R213.13/li aa
<b>104.23</b>	<b>2208.60</b>	<b>Vodka:</b>	
104.23.17	2208.60.10	In containers holding 2 li or less	R213.13/li aa
104.23.19	2208.60.90	Other	R213.13/li aa
<b>104.23</b>	<b>2208.70</b>	<b>Liqueurs and cordials:</b>	
<b>104.23</b>	<b>2208.70.2</b>	<b>In containers holding 2 li or less:</b>	
104.23.21	2208.70.21	With an alcoholic strength by volume exceeding 15 per cent by vol. but not exceeding 23 per cent by vol.	R85.25/li aa
104.23.22	2208.70.22	Other	R213.13/li aa
<b>104.23</b>	<b>2208.70.9</b>	<b>Other:</b>	
104.23.23	2208.70.91	With an alcoholic strength by volume exceeding 15 per cent by vol. but not exceeding 23 per cent by vol.	R85.25/li aa
104.23.24	2208.70.92	Other	R213.13/li aa
<b>104.23</b>	<b>2208.90</b>	<b>Other:</b>	
<b>104.23</b>	<b>2208.90.2</b>	<b>In containers holding 2 li or less:</b>	
104.23.25	2208.90.21	With an alcoholic strength by volume exceeding 15 per cent by vol. but not exceeding 23 per cent by vol.	R85.25/li aa
104.23.26	2208.90.22	Other	R213.13/li aa
<b>104.23</b>	<b>2208.90.9</b>	<b>Other:</b>	
104.23.27	2208.90.91	With an alcoholic strength by volume exceeding 15 per cent by vol. but not exceeding 23 per cent by vol.	R85.25/li aa
104.23.28	2208.90.92	Other	R213.13/li aa
<b>104.30</b>	<b>24.02</b>	<b>Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes:</b>	
<b>104.30</b>	<b>2402.10</b>	<b>Cigars, cheroots and cigarillos containing tobacco:</b>	

Tariff Item	Tariff subheading	Article Description	2020/21 Rate of Excise Duty
104.30.01	2402.10.10	Imported from Switzerland	R4 193.62/kg net
104.30.03	2402.10.90	Other	R4 193.62/kg net
<b>104.30</b>	<b>2402.20</b>	<b>Cigarettes containing tobacco:</b>	
104.30.05	2402.20.10	Imported from Switzerland	R8.70/10 cigarettes
104.30.07	2402.20.90	Other	R8.70/10 cigarettes
<b>104.30</b>	<b>2402.90.1</b>	<b>Cigars, cheroots and cigarillos of tobacco substitutes:</b>	
104.30.09	2402.90.12	Imported from Switzerland	R4 193.62/kg net
104.30.11	2402.90.14	Other	R4 193.62/kg net
<b>104.30</b>	<b>2402.90.2</b>	<b>Cigarettes of tobacco substitutes:</b>	
104.30.13	2402.90.22	Imported from Switzerland	R8.70/10 cigarettes
104.30.15	2402.90.24	Other	R8.70/10 cigarettes
<b>104.35</b>	<b>24.03</b>	<b>Other manufactured tobacco and manufactured tobacco substitutes; "homogenised" or "reconstituted" tobacco; tobacco extracts and essences:</b>	
<b>104.35</b>	<b>2403.1</b>	<b>Smoking tobacco, whether or not containing tobacco substitutes in any proportions:</b>	
104.35.01	2403.11	Water pipe tobacco specified in Subheading Note 1 to Chapter 24	R231.69/kg net
<b>104.35</b>	<b>2403.19</b>	<b>Other:</b>	
104.35.02	2403.19.10	Pipe tobacco in immediate packings of a content of less than 5 kg	R231.69/kg net
104.35.03	2403.19.20	Other pipe tobacco	R231.69/kg net
104.35.05	2403.19.30	Cigarette tobacco	R391.06/kg
<b>104.35</b>	<b>2403.91</b>	<b>"Homogenised or "reconstituted" tobacco:</b>	
104.35.11	2403.91.10	Imported from Switzerland	R815.63/kg
104.35.13	2403.91.90	Other	R815.63/kg
<b>104.35</b>	<b>2403.99</b>	<b>Other:</b>	
104.35.15	2403.99.30	Other cigarette tobacco substitutes	R391.06/kg
104.35.17	2403.99.40	Other pipe tobacco substitutes	R231.69/kg net
104.35.19	2403.99.90	Other	R815.63/kg

## SCHEDULE II

### (Part II)

#### (Section 7)

1. By the deletion in Part 2A of Schedule No. 1 of the following tariff subheadings:

Tariff Item	Tariff Subheading	Article Description	Rate of Excise Duty
104.35.07	2403.99.30	Other cigarette tobacco substitutes	R374.58/kg
104.35.09	2403.99.40	Other pipe tobacco substitutes	R215.52/kg net

2. By the insertion in Part 2A of Schedule No. 1 of the following tariff subheadings:

Tariff Item	Tariff Subheading	Article Description	Rate of Excise Duty
<b>104.35</b>	<b>2403.91</b>	<b>"Homogenised" or "reconstituted" tobacco:</b>	
104.35.11	2403.91.10	Imported from Switzerland	R815.63/kg
104.35.13	2403.91.90	Other	R815.63/kg
104.35.15	2403.99.30	Other cigarette tobacco substitutes	R391.06/kg
104.35.17	2403.99.40	Other pipe tobacco substitutes	R231.69/kg net
104.35.19	2403.99.90	Other	R815.63/kg

**SCHEDULE II****Part III***(Section 7)***AMENDMENT OF SCHEDULE 6 TO CUSTOMS AND EXCISE ACT, 1964****1.** By the deletion in Schedule No. 6 of the following rebate items:

Rebate Item	Tariff Item	Rebate Code	CD	Description	Extent of Rebate	Extent of Refund
622.07	104.35.07	05.01	74	Other cigarette tobacco substitutes	Full duty	
622.07	104.35.09	06.01	72	Other pipe tobacco substitutes	Full duty	
622.12	104.35.07	05.01	73	Other cigarette tobacco substitutes	Full duty	
622.12	104.35.09	06.01	71	Other pipe tobacco substitutes	Full duty	
622.22	104.35.07	05.01	71	Other cigarette tobacco substitutes		As provided in Note 4 to this Section
622.22	104.35.09	06.01	75	Other pipe tobacco substitutes		As provided in Note 4 to this Section

**2.** By the insertion in Schedule No. 6 of the following rebate items:

Rebate Item	Tariff Item	Rebate Code	CD	Description	Extent of Rebate	Extent of Refund
622.07	104.35.11	05.01	71	Imported from Switzerland	Full duty	
622.07	104.35.13	06.01	76	Other	Full duty	
622.07	104.35.15	07.01	78	Other cigarette tobacco substitutes	Full duty	
622.07	104.35.17	08.01	76	Other pipe tobacco substitutes	Full duty	
622.07	104.35.19	09.01	74	Other	Full duty	
622.12	104.35.11	05.01	70	Imported from Switzerland	Full duty	
622.12	104.35.13	06.01	79	Other	Full duty	
622.12	104.35.15	07.01	77	Other cigarette tobacco substitutes	Full duty	
622.12	104.35.17	08.01	75	Other pipe tobacco substitutes	Full duty	
622.12	104.35.19	09.01	73	Other	Full duty	
622.22	104.35.11	05.01	79	Imported from Switzerland		As provided in Note 4 to this Section
622.22	104.35.13	06.01	77	Other		As provided in Note 4 to this Section
622.22	104.35.15	07.01	75	Other cigarette tobacco substitutes		As provided in Note 4 to this Section
622.22	104.35.17	08.01	73	Other pipe tobacco substitutes		As provided in Note 4 to this Section
622.22	104.35.19	09.01	89	Other		As provided in Note 4 to this Section

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