



Issue 12 - 15 March 2024

# Budget Snapshots

## Transfer Duty



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The rate of transfer duty is unchanged in respect of the acquisition of all immovable property on or after 1 March 2023.

Based on the amount on which transfer duty is to be charged, these are the rates (which apply irrespective of the type of purchaser) which apply to properties acquired under purchase agreements concluded on or after 1 March 2023.

Value of property	Rate
Up to and including R1 100 000	0%
Exceeds R1 100 000 up to R1 512 500	3% of value above R1 100 000
Exceeds R1 512 500 up to R2 117 500	R12 375 plus 6% of excess over R1 512 500
Exceeds R2 117 500 up to R2 722 500	R48 675 plus 8% of excess over R2 117 500
Exceeds R2 722 500 up to R12 100 000	R97 075 plus 11% of excess over R2 722 500
Exceeds R12 100 000	R1 128 600 plus 13% of excess over R12 100 000

The main existing exemption from Transfer Duty applies where the acquisition of property is subject to Value-Added Tax (VAT) at the standard or zero rate. Some of the other exemptions are:

- Acquisition as an heir from a deceased estate.
- Acquisition by a surviving spouse in respect of the acquisition in any manner from the estate of a deceased spouse.
- Transfers of property between spouses in the case of divorce or death.
- Acquisition as part of an approved group corporate rationalisation scheme.
- Acquisition by certain tax exempt bodies.



## Example of calculation of Transfer Duty for sales on or after 1 March 2023

Consideration payable by a related natural person	R11 000 000
Appraised value of the property	R13 000 000

### Calculation of tax

As the parties are related, the transfer duty is calculated on the appraised value as it is higher than the consideration payable.

- 0% of first R1 100 000	-
- 3% of next R412 500	12 375
- 6% of next R605 000	36 300
- 8% of next R605 000	48 400
- 11% of next R9 377 500	1 031 525
- 13% of balance of R900 000	117 000
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Total transfer duty payable	R1 245 600
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The transfer of shares in residential property owning companies (as well as the transfer of such close corporations and discretionary interests in trusts) is liable for normal transfer duty as if the property itself had been acquired. An entity falls into this category where (briefly) the fair value of the property comprises more than 50% of the aggregate gross fair value of all the assets held by the entity at the date of sale.

There is a duty on Estate Agents who derive remuneration from such transactions, to report the transaction to SARS within 6 months of the date of acquisition. Failure to do so is a criminal offence subject to a fine and/or imprisonment.



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