



Issue 3 - 22 February 2024

Budget Snapshots

Personal Tax Rates

Although no increase in personal tax rates has been proposed, by not adjusting the table rates, the effects of inflation result in an increase in the tax burden. This is known as bracket creep. Very simply, if you receive a salary increase of 10%, the tax payable by you will increase by a little more than 10%.

Although most taxpayers meet their tax obligations through the monthly PAYE system, provisional taxpayers are required to prepare estimates of their taxable income every six months (August and February) and to pay the amounts computed in terms of this system. This could apply even if they are earning salaries subject to monthly PAYE.

The 2024 pocket tax guide defines provisional taxpayers as follows:

A provisional taxpayer is any person who earns income by way of remuneration from an unregistered employer, or income that is not remuneration, or an allowance or advance payable by the person's principal. An individual is not required to pay provisional tax if he or she does not carry on any business, and the individual's taxable income:

- Will not exceed the tax threshold for the tax year; or
- From interest, dividends, foreign dividends, rental from the letting of fixed property, and remuneration from an unregistered employer, will be R30 000 or less for the tax year.

Provisional tax returns that show an estimation of total taxable income for the year of assessment are required from provisional taxpayers. Deceased estates are not provisional taxpayers.

The rates of tax for all persons other than companies and close corporations including deceased estates and "special" trusts for the year ended 28 February 2025 **are the same as compared to the previous year** and will be as follows:

Taxable Income previous year	Amounts of Tax Payable and Percentages to be Applied to Excess over Base Amounts
Up to R237 100	18%
Exceeds R237 100 up to R370 500	R42 678 plus 26%
Exceeds R370 500 up to R512 800	R77 362 plus 31%
Exceeds R512 800 up to R673 000	R121 475 plus 36%
Exceeds R673 000 up to R857 900	R179 147 plus 39%
Exceeds R857 900 up to R1 817 000	R251 258 plus 41%
Exceeds R1 817 000	R644 489 plus 45%

The rates for the year ended 28 February 2024 were as follows:

Taxable Income previous year	Amounts of Tax Payable and Percentages to be Applied to Excess over Base Amounts
Up to R237 100	18%
Exceeds R237 100 up to R370 500	R42 678 plus 26%
Exceeds R370 500 up to R512 800	R77 362 plus 31%
Exceeds R512 800 up to R673 000	R121 475 plus 36%
Exceeds R673 000 up to R857 900	R179 147 plus 39%
Exceeds R857 900 up to R1 817 000	R251 258 plus 41%
Exceeds R1 817 000	R644 489 plus 45%

Examples of the tax payable (after age rebates) at various levels of taxable income are as follows:

Individuals under 65 years			
Taxable income	2025	2024	Increase (Reduction)
100 000	765	765	(0)
150 000	9 765	9 765	(0)
200 000	18 765	18 765	(0)
300 000	41 797	41 797	(0)
400 000	69 272	69 272	(0)
500 000	100 272	100 272	(0)
750 000	191 942	191 942	(0)
1 000 000	292 284	292 284	(0)
1 500 000	497 284	497 284	(0)
2 000 000	709 604	709 604	(0)

Individuals 65 years and over			
Taxable income	2025	2024	Increase (Reduction)
120 000	-	-	-
150 000	321	321	(0)
200 000	9 321	9 321	(0)
300 000	32 353	32 353	(0)
400 000	59 828	59 828	(0)
500 000	90 828	90 828	(0)
750 000	182 498	182 498	(0)
1 000 000	282 840	282 840	(0)
1 500 000	487 840	487 840	(0)
2 000 000	700 160	700 160	(0)

Individuals 75 years and over			
Taxable income	2025	2024	Increase (Reduction)
150 000	-	-	-
200 000	6 176	6 176	(0)
300 000	29 208	29 208	(0)
400 000	56 683	56 683	(0)
500 000	87 683	87 683	(0)
750 000	179 353	179 353	(0)
1 000 000	279 695	279 695	(0)
1 500 000	484 695	484 695	(0)
2 000 000	697 015	697 015	(0)

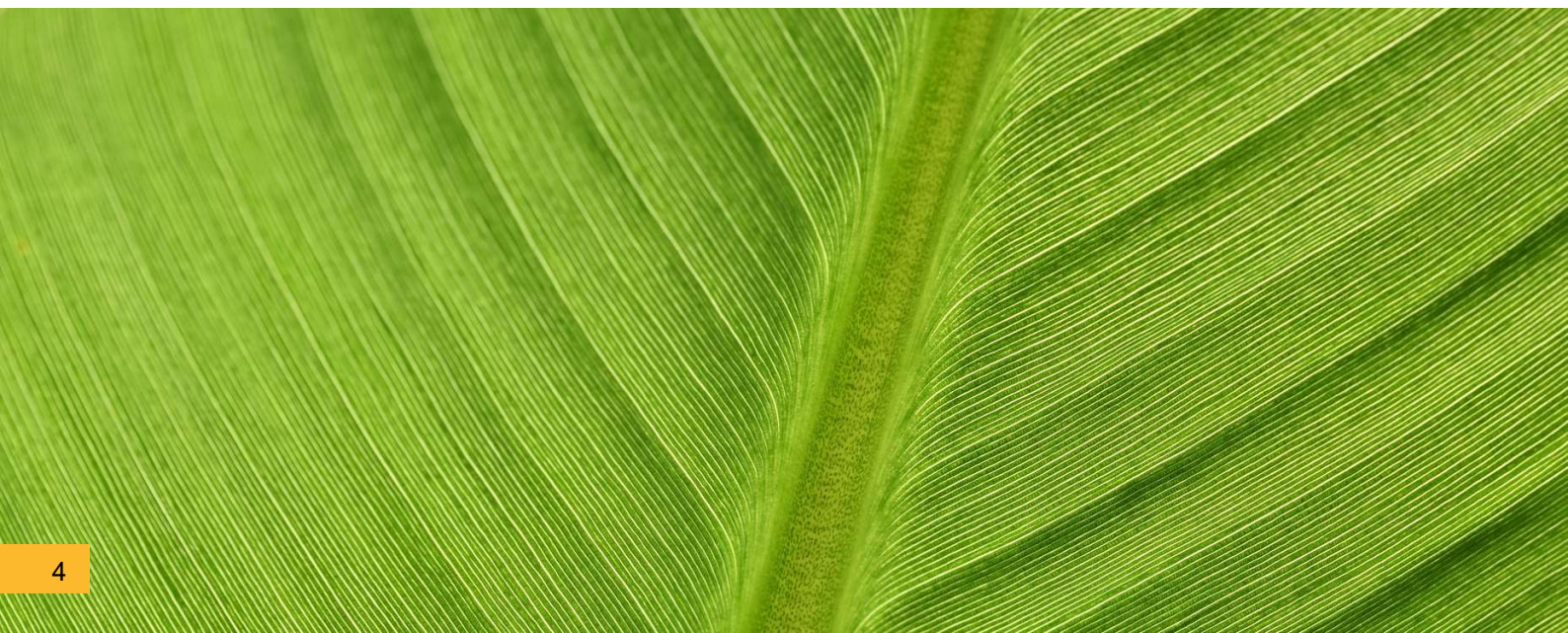
The rebates for the year ended February are unchanged as follows:

	2025	2024
Standard primary rebate for all natural persons (i.e. excluding all companies, trusts, estates, etc)	R17 235	R17 235
Additional rebate for all persons 65 years and over at the end of the tax year	R9 444	R9 444
Further additional rebate for all persons 75 years and over at the end of the tax year	R3 145	R3 145

The tax thresholds (i.e. levels of taxable income below which no tax is payable) will be as follows:

	2025	2024
Under 65 years at the end of the tax year	R95 750	R95 750
65 years and over	R148 217	R148 217
75 years and over	R165 689	R165 689

Because of the interest income exemption, each person over the age of 65 but younger than 75 can earn annual income (including interest of at least R34 500) of R182 717 (was R182 717) without being liable for income tax at all. For those 75 and over with at least R34 500 of interest income, the tax free income limit is R200 189 (was R200 189).





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