



Smart decisions. Lasting value.


Issue 1 - 23 February 2022

Budget Snapshots

Budget Proposals

Audit / Tax / Advisory / Human Capital





The Minister of Finance, **Mr Enoch Godongwana**, delivered his annual budget on Wednesday 23 February 2022.

The main announcements and proposals were as follows:

Individual Taxation

No significant changes were made to individual tax. The usual bracket changes were proposed, together with a small change in the medical tax credits.

Corporate Taxation

The corporate income tax rate will reduce by 1% to 27% effective for the years ending on or after 31 March 2023.

Corporate Assessed Losses

The offsetting of assessed losses brought forward from the prior years will be limited to the higher of R1 million or 80% of taxable income before taking the loss into account, for years of assessment ending on or after 31 March 2023.

Disclosure of wealth

Provisional taxpayers with assets above R50 million will be required to declare specified assets and liabilities at market values in their 2023 tax returns.

Employment Tax Incentive

It was proposed to increase the employment tax incentive by 50% with effect from 1 March 2022. The increase will be from a maximum of R1 000 to R1 500 per month for the first 12 months and from R500 to R750 for the second 12 months.

Research and development incentive

The incentive will be extended in its current form until 31 December 2023.

Carbon tax rate

The carbon tax rate increased from R134 to R144 per tonne of carbon tax equivalent, effective 1 January 2022.

Plastic bag levy

It was proposed that the plastic bag levy be increased from 25c/bag to 28c/bag, with effect from 1 April 2022.

Fuel levy and road accident fund levy

No increases were proposed.

Vaping

A flat excise duty rate of at least R2,90/ml was proposed for both nicotine and non-nicotine solutions to be introduced from 1 January 2023.

Expiry of corporate tax incentives

The following corporate tax incentives will not be renewed when they reach their sunset date:

- Section 12DA (rolling stock) on 28 February 2022
- Section 12F (airport and port assets) on 28 February 2022
- Section 12O (films), which lapsed on 31 December 2021
- Section 13sept (sale of low-cost residential units through an interest-free loan) on 28 February 2022.



**For more information click on
the links below to access the
Guides provided by Treasury**

[Budget Highlights 2022](#)

[Budget Tax Guide 2022](#)



Contact

Crowe HZK

7th Floor, 5 St. Georges
St. Georges Mall, Cape Town
Main +27 21 481 7000
hzk@crowe.za.com

D8, Block D, Octo Place
Elektron Avenue, Techno Park
Stellenbosch
Main +27 21 880 7940
bsa@crowe.za.com

Crowe JHB

3 Sandown Valley Crescent
Sandown
Johannesburg, 2196
Main +27 11 217 8000
info@crowe.za.com

Crowe Winelands

Blandford House
67 Caledon Street
Somerset West, 7130
Main +27 21 855 2917
reception.winelands@crowe.za.com

Crowe DNA

Unit 201, 2nd Floor
Crossfire Place
15 Gardner Williams Avenue
Paardevlie, Somerset West, 7130
Main +27 87 0572613
infodna@crowe.za.com



About Crowe Global

As a top 10 global accounting network, Crowe Global has over 200 independent accounting and advisory firms in 145 countries.

For over 100 years, Crowe has made smart decisions for multinational clients working across borders. Our leaders work with governments, regulatory bodies and industry groups to shape the future of the profession worldwide. Their exceptional knowledge of business, local laws and customs provide lasting value to clients undertaking international projects.

Crowe provides global reach on a personal scale. Firms are focused on the future and the client experience, working with clients to build something valuable, substantial and enduring. Close working relationships are at the heart of our effective service delivery.

At Crowe, our professionals all share one commitment, to deliver excellence.

www.crowe.com/za