

ANNUAL

BUDGET SPEECH
2020/21

Highlights: Tax Proposals via National Treasury

Introduction: What is the Budget?

In February of each year, the Finance Minister tables the national budget, whereby he announces government's spending, tax and borrowing plans for the next three years. The national budget divides money between national departments, provinces and municipalities.



Personal Income Tax

TAX THRESHOLDS	2019/20	2020/21	TAX REBATE	2019/20	2020/21
Below Age sixty five (65)	R79 000	R83 100	Primary age below 65	R14 220	R14 958
Age 65 - 74	R122 300	R128 650	Secondary age 65 and over	R7 794	R8 199
Age 75 and over	R136 750	R143 850	Tertiary age 75 and over	R2 601	R2 736

Sin Tax

Malt Beer

8c per 340ml can

Ciders & Alcoholic Fruit Bev

8c per 340ml can

Cigarettes

74c per pack of 20

Cigars

R6.73 per 23g

Unfortified Wine

14c per 750ml bottle

Spirits

R2.89 per 750 ml bottle

Cigarette Tabacco

82c per 50g

Fortified Wine

23c per 750ml bottle

Sparkling Wine

61c per 750ml bottle

Pipe Tabacco

40c per 25g



Social Grants

In the 2020 Budget, government increases the child support grant by Rxx per month, the foster care grant by Rxx per month and the old age grant by Rxx a month in 2020/21.

	2019/20	2020/21
State Old Age Grant	R1 780	R1 860
State Old Age Grant, Over 75	R1 800	R1 880
War Veterans Grant	R1 800	R1 880
Disability Grant	R1 780	R1 860
Foster Care Grant	R1 000	R1 040
Care Dependency Grant	R1 780	R1 860
Child Support Grant	R425	R445

Fuel & Carbon Tax Levies

General Fuel Levy is a tax charged on every litre of petrol sold. Money collected through the RAF Levy portion of every litre of petrol sold is used to fund the Road Accident Fund, which uses the money to compensate victims of road accidents.

 The plastic bag levy will increase from 12c to 25c per bag on 1 April 2020

FUEL LEVIES	2019/20	2020/21
Carbon Levy Petrol	R0.07p/l	R0.07p/l
Carbon Levy Diesel	R0.08p/l	R0.08p/l
General Fuel Levy Petrol	R3.52p/l	R3.70p/l
General Fuel Levy Diesel	R3.37p/l	R3.55p/l
Road Accident Fund Petrol & Diesel	R1.98p/l	R2.07p/l

Tax Rates

Income Tax: Individuals & Trusts

Tax payable by individuals for the tax year ending between 1 March 2020 and 29 February 2021.

Taxable Income (R)	Rate of Tax (R)
0 - 205 900	18% of taxable income
205 901 - 321 600	37 062 + 26% of taxable income above 205 900
321 601 - 445 100	67 144 + 31% of taxable income above 321 600
445 101 - 584 200	105 429 + 36% of taxable income above 445 100
584 201 - 744 800	155 501 + 39% of taxable income above 584 200
744 801 - 1 577 300	218 139 + 41% of taxable income above 744 800
1 577 301 and above	559 464 + 45% of taxable income above 1 577 300
Trusts other than special trusts	Rate of tax 45%

Income Tax: Companies

Financial years ending on any date between 1 April 2020 and 31 March 2021.

Type	Rate of Tax (R)
Companies	28% of taxable income

Income Tax: Small Business Corporations

Financial years ending on any date between 1 April 2020 and 31 March 2021

Taxable Income (R)	Rate of Tax (R)
0 - 83 100	0% of taxable income
83 101 - 365 000	7% of taxable income above 83 100
365 001 - 550 000	19 733 + 21% of taxable income above 365 000
550 001 and above	58 583 + 28% of the amount above 550 000