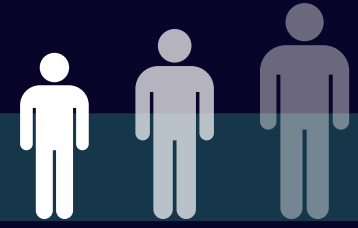




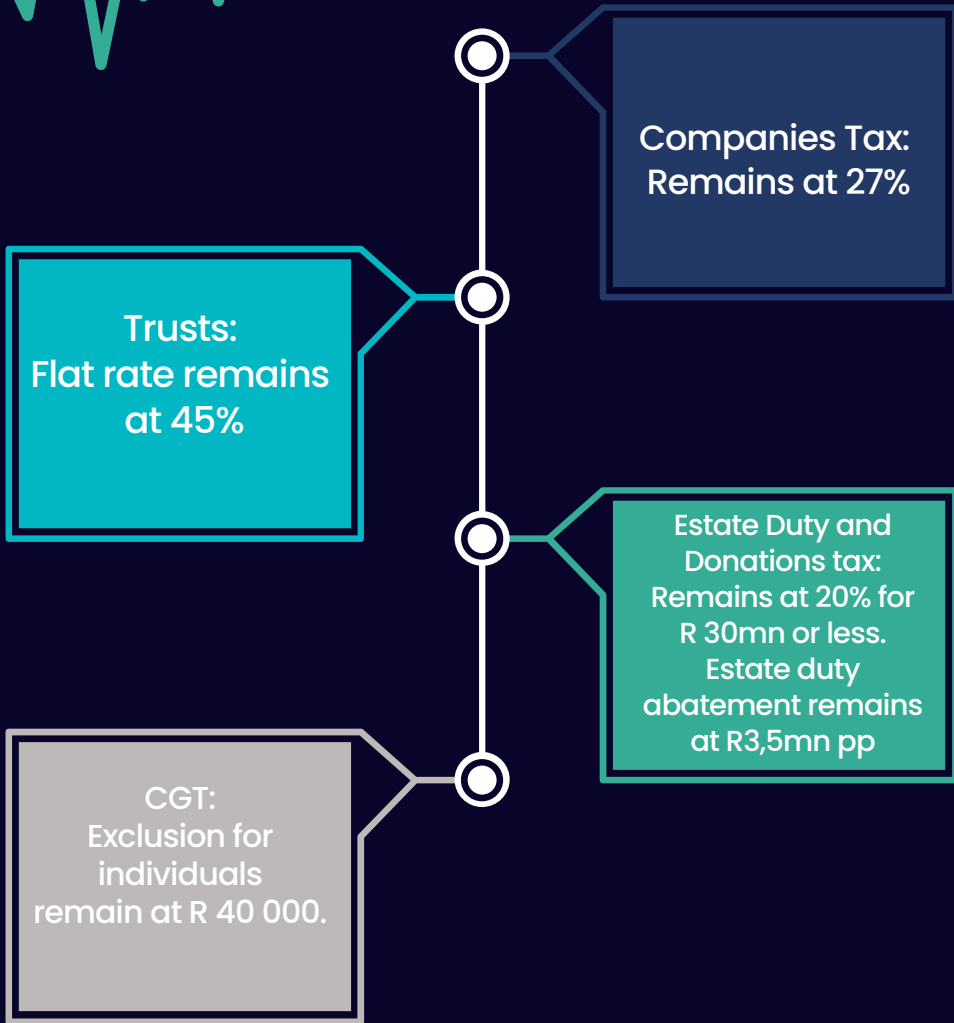
# BUDGET SPEECH FEB 2024

## What's in the numbers?



### TAX

#### Medical Tax Credits- No Amendment



#### Rebates

There will be no inflationary adjustment to tax brackets and rebates.

Primary	R 17 235
Secondary (65 y +)	R 9 444
Plus (aged 75+)	R 3 145

VAT: Remains at 15%

OFFSHORE ALLOWANCE: Remains R 10mn per adult

LOCAL DIVIDEND TAX: Remains at flat rate of 20%.

#### Transfer Duty

Rates revised.

Property costing < R 1,1 mn will attract NO duty

#### Retirement Tables and Withdrawal Tables ( Remains As Is)

Taxable Income	Rates of Tax
0 – 27,500	0% of taxable income
27,501 – 726,000	18% of taxable income above 27,500
726,001 – 1,089,000	125,730 + 27% of taxable income above 726,000
1,089,001 and above	223,740 + 36% of taxable income above 1,089,000

Taxable Income	Rates of Tax
0 – 550,000	0% of taxable income
550,001 – 770,000	18% of taxable income above 550,000
770,001 – 1,155,000	39,600 + 27% of taxable income above 770,000
1,155,001 and above	143 550 + 36% of taxable income above 1,155,000

**“ Two-Pot” Retirement System**  
Implementation date is set for **1 September 2024.**

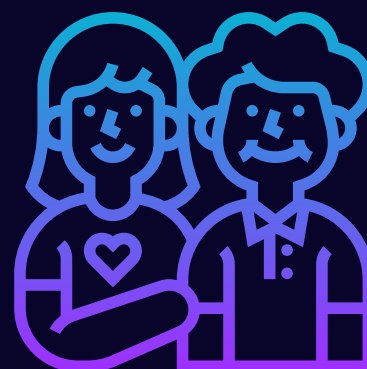
It is estimated that R26bn will be withdrawn from pension funds once the system is implemented. This could lead to tax collection of roughly R5bn

### Some Relief

Fuel levy to remain unchanged

Road Accident Fund levy to remain unchanged

Customs and Excise levy to remain unchanged



# Where will the government get the money from?



Beer ↑ 23%



Bottle of wine ↑ 11%



Cigarettes ↑ 4,7%

**NEW!** Additionally government implements an excise duty on electronic nicotine systems or otherwise known as VAPING products of R2,90 per ml.

An explanatory memorandum and draft Global Minimum Tax Bill will contain details on a proposed global minimum corporate tax. The income inclusion rule will enable South Africa to apply a top-up tax on profits reported by qualifying SA multinationals operating in other countries with effective tax rates below 15%.

Your plastic bag will cost 32c/bag (up from 28c/bag)



Incandescent light bulb levy up from R15 to R20.



Roughly R150 bn will be drawn from the Gold and Foreign Exchange Contingency Reserve Account to fund the debt account.

## On what will the money be spent?



R7,4bn is set aside for the presidential employment initiative

Health department receives R271,9bn in 2024/2025 and then this will rise to R291,2bn

R627,8 million allocated to Dpt of Justice to implement FATF and State Capture Commission

R33,6bn is set aside to fund the COVID-19 social relief grant

DTI has reprioritized R964mn for the transition to electric vehicles

### CONTINUE TO MAKE USE OF TAX EFFICIENT PRODUCTS

Remember that as an individual, you can optimise your savings and take advantage of savings products. At this stage the Tax Free Savings allowance has not increased. There is no tax levied on any capital gains (which also remained unchanged) or interest earned (this too remained unchanged) within this product. There will also not be any tax levied when you withdraw from this product.

A retirement annuity allows a tax deduction of 27,5% per annum (with a cap of R350,000) of the greater of taxable income and remuneration and applies to members of all retirement funds, including provident funds. Given the immediate increase in consumer spending (due to the tax deductions available) when allocating to a retirement annuity, this can become a very attractive retirement savings product.