

CAPITAL GAINS TAX			
TYPE	2024 Inclusion Rate	Primary Residence Exclusion	General Exclusion
Individuals & Special Trusts	18%	R 2 000 000.00	R 40 000.00
Companies	21.6%	R 0.00	R 0.00
Other Trusts	36%	R 0.00	R 0.00

Capital gains tax (CGT) is not a separate tax but forms part of income tax. A capital gain arises when you dispose of an asset on or after 1 October 2001 for proceeds that exceed its base cost.

Capital Gain = Selling Price Min Base Cost

Base Costs = Purchase Price + Value of Improvements + Transfer Fees + agent commission (on selling price)

EXAMPLE 1		EXAMPLE 2	
INDIVIDUAL & SPECIAL TRUST		COMPANIES & TRUST	
PRIMARY AND SECONDARY RESIDENCE			
Selling Price	R 4 000 000.00	Selling Price	R 4 000 000.00
Minus Purchase Price	R 2 000 000.00	Minus Purchase Price	R 2 000 000.00
Minus Improvements	R 100 000.00	Minus Improvements	R 100 000.00
Minus Transfer Fees	R 50 000.00	Minus Transfer Fees	R 50 000.00
Minus Agent Commission	R 50 000.00	Minus Agent Commission	R 50 000.00
Capital Gain	R 1 800 000.00	Capital Gain	R 1 800 000.00
Calculation of taxable Capital Gain		Calculation of taxable Capital Gain	
Primary Residence		Company	
18% of Capital Gain	R 324 000.00	21.6% of Capital Gain	R 388 800.00
Minus Primary Exclusion	R 2 000 000.00	No Primary Exclusion	R 0.00
Minus General Exclusion	R 40 000.00	No General Exclusion	R 0.00
Total taxable Capital Gain	R 0.00	Total taxable Capital Gain	R 388 000.00
Secondary Residence		Trust	
18% of Capital Gain	R 324 000.00	36% of Capital Gain	R 648 000.00
No Primary Exclusion	R 0.00	No Primary Exclusion	R 0.00
Minus General Exclusion	R 40 000.00	No General Exclusion	R 0.00
Total taxable Capital Gain	R 127 800.00	Total taxable Capital Gain	R 648 000.00

INDIVIDUAL INCOME TAX

Income tax is the normal tax which is paid on your taxable income

2024 INDIVIDUAL INCOME TAX SCALE	
Taxable Income (R)	Rates of Tax (R)
1 – 237 100	18% of taxable income
237 101 – 370 500	42 678 + 26% of taxable income above 237 100
370 501 – 512 800	77 362 + 31% of taxable income above 370 500
512 801 – 673 000	121 475 + 36% of taxable income above 512 800
673 001 – 857 900	179 147 + 39% of taxable income above 673 000
857 901 – 1 817 000	251 258 + 41% of taxable income above 857 900
1 817 001 and above	644 489 + 45% of taxable income above 1 817 000

Tax Rebate is an amount by which SARS reduces the actual taxes owing depending on certain circumstances. SARS will calculate the amount of tax that you owe to them, based on your income and expenses throughout the year, then if certain conditions apply, they'll reduce the amount due.

Tax Threshold is the amount above which income tax becomes payable

TAX REBATE		TAX THRESHOLD	
Primary	R 17 235.00	Under 65	R 95 750.00
Secondary (65 and older)	R 9 444.00	65 and older	R 148 217.00
Tertiary (75 and older)	R 3 145.00	75 and older	R 165 689.00

COMPANY & TRUST INCOME TAX

2024 INCOME TAX SCALE	
Entity	Tax Rate
Company	27%
Trust (Other than special trust)	45%

EXAMPLE:

Lets assume that the Seller is a **45 year old** that earns a annual salary of **R 480 000.00** (R40 000.00 per month)
The Seller earned the following additional income during the tax year:

Bonus R 40 000.00
Interest from Allan Gray R 25 000.00

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<p align="center">Calculation of taxable income</p> <p align="center"><u>Primary Residence</u></p> <table border="1"> <tr><td>Annual Salary</td><td>R 480 000.00</td></tr> <tr><td>Bonus</td><td>R 40 000.00</td></tr> <tr><td>Interest from Allan Gray</td><td>R 25 000.00</td></tr> <tr><td>Capital Gains</td><td>R 0.00</td></tr> <tr><td>Taxable Income</td><td>R 545 000.00</td></tr> <tr><td>Minus Tax Rebate</td><td>R 17 235.00</td></tr> <tr><td>Total Taxable Income</td><td>R 527 765.00</td></tr> </table> <p align="center">Tax Rate 121 475 + 36% of taxable income above 512 800</p> <p align="center">$R527\,765.00 - R512\,800.00 = R14\,965.00 \times 36\%$ =R 5 387.40 =R 5 387.40 + R121 475.36</p> <table border="1"> <tr><td>Total Tax payable</td><td>R 126 862.76</td></tr> </table> <p align="center"><u>Secondary Residence</u></p> <table border="1"> <tr><td>Annual Salary</td><td>R 480 000.00</td></tr> <tr><td>Bonus</td><td>R 40 000.00</td></tr> <tr><td>Interest from Allan Gray</td><td>R 25 000.00</td></tr> <tr><td>Capital Gains</td><td>R 127 800.00</td></tr> <tr><td>Taxable Income</td><td>R 672 800.00</td></tr> <tr><td>Minus Tax Rebate</td><td>R 17 235.00</td></tr> <tr><td>Total Taxable Income</td><td>R 655 475.00</td></tr> </table> <p align="center">Tax Rate 121 475 + 36% of taxable income above 512 800</p> <p align="center">$R655\,475.00 - R512\,800.00 = R142\,675.00 \times 36\%$ =R 51 363.00 =R 51 363.00 + R121 475.36</p> <table border="1"> <tr><td>Total Tax payable</td><td>R 172 838.00</td></tr> </table>	Annual Salary	R 480 000.00	Bonus	R 40 000.00	Interest from Allan Gray	R 25 000.00	Capital Gains	R 0.00	Taxable Income	R 545 000.00	Minus Tax Rebate	R 17 235.00	Total Taxable Income	R 527 765.00	Total Tax payable	R 126 862.76	Annual Salary	R 480 000.00	Bonus	R 40 000.00	Interest from Allan Gray	R 25 000.00	Capital Gains	R 127 800.00	Taxable Income	R 672 800.00	Minus Tax Rebate	R 17 235.00	Total Taxable Income	R 655 475.00	Total Tax payable	R 172 838.00	<p align="center">Calculation of taxable income</p> <p align="center"><u>Company</u></p> <table border="1"> <tr><td>Annual Income</td><td>R 900 000.00.00</td></tr> <tr><td>Capital Gains</td><td>R 388 000.00</td></tr> <tr><td>Taxable Income</td><td>R 1 288 000.00</td></tr> <tr><td>No Tax Rebate</td><td>R 0.00</td></tr> <tr><td>Total Taxable Income</td><td>R1 288 000.00</td></tr> </table> <p align="center">Tax Rate 27% of Total Taxable Income</p> <p align="center">$R1\,288\,000.00 \times 27\% = R347\,760.00$</p> <table border="1"> <tr><td>Total Tax payable</td><td>R 347 000.00</td></tr> </table> <p align="center"><u>Trust</u></p> <table border="1"> <tr><td>Annual Income</td><td>R 900 000.00.00</td></tr> <tr><td>Capital Gains</td><td>R 648 000.00</td></tr> <tr><td>Taxable Income</td><td>R 1 548 000.00</td></tr> <tr><td>No Tax Rebate</td><td>R 0.00</td></tr> <tr><td>Total Taxable Income</td><td>R 1 548 000.00</td></tr> </table> <p align="center">Tax Rate 45% of Total Taxable Income</p> <p align="center">$R1\,548\,000.00 \times 45\% = R696\,600.00$</p> <table border="1"> <tr><td>Total tax payable</td><td>R 696 600.00</td></tr> </table>	Annual Income	R 900 000.00.00	Capital Gains	R 388 000.00	Taxable Income	R 1 288 000.00	No Tax Rebate	R 0.00	Total Taxable Income	R1 288 000.00	Total Tax payable	R 347 000.00	Annual Income	R 900 000.00.00	Capital Gains	R 648 000.00	Taxable Income	R 1 548 000.00	No Tax Rebate	R 0.00	Total Taxable Income	R 1 548 000.00	Total tax payable	R 696 600.00
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