

# NATIONAL BUDGET 2017: SUMMARY

SA's transformation will be built through economic participation, partnerships | R28bn to be raised in taxes | SA's budget deficit for 2017/18: 3.1% of GDP | SA's govt debt to stabilise at about 48% of GDP over next 3 years

THE TOTAL TAX REVENUE FOR 2016/17 WILL BE R1.14TRN, UP 7% ON PREVIOUS YEAR. ADDITIONAL TAX REVENUE TO BE GENERATED FROM:

## INDIVIDUALS

A new marginal personal income tax rate: **45%** for those with taxable incomes above R1.5mn. It is expected to raise tax collection revenue in between R3bn-R5bn.

Capital Gains Inclusion rate increases to 18%

**95% of S.A's wealth is in the hands of 10% of the population**

Tax free savings account: annual allowance increases to R33 000

Provident funds: No change in deductible contributions or capped deduction of R350 000 per-annum.



## SUGAR TAX

Proposed design of sugar tax has been revised to include both **intrinsic and added sugars**

**Sugar tax will be implemented** later this year at a rate of **R0.0229** per gram of sugar once details are finalised and legislation passed

**A 330ml coca-cola could cost you 77c more**

## SIN TAX

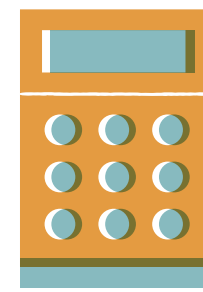
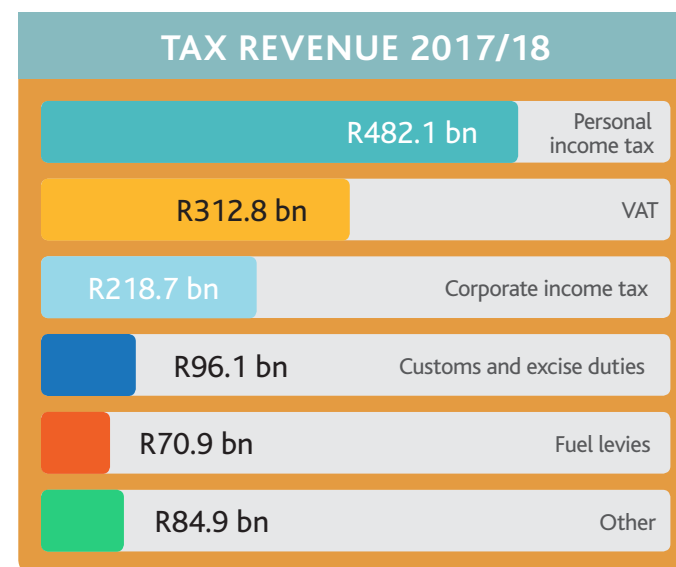
Excise duties for alcohol and tobacco to increase between



**6 - 10%**

## FUEL TAX:

An increase of 30c/litre in the general fuel levy and 9c/litre in the road accident fund levy



## SPECIAL VOLUNTARY DISCLOSURE PROGRAMME (SVDP):

SARS received VDP disclosures totalling R3.8bn in foreign assets; will yield revenue of R600mn

**Application for Special VDP relief will be extended** until the end of **August** this year

## INDIRECT TAX

**VAT remains unchanged** Although fears for the impact on 'poorer people' unfounded as goods purchased by 'poorer people' are already exempt from VAT

**Proposed to expand the VAT base in 2018/2019 by removing zero rating on fuel.**

Transfer duties: **relief for affordable housing market.** Duties exempt for purchases up to R900 000. Above R900 000 will be 3% of the value

## INTERNATIONAL TAX AND TRANSFER PRICING

**BEPS action 13 has been**

**implemented:** multinational companies will be required to file further information with regards to Country by Country Reporting (CBCR) with SARS on cross border activities in September this year

## CORPORATES

Dividend withholding tax rate to be **increased from 15% to 20%** - makes SA unfriendly investment option

**Company tax rate remains unchanged**



## HOW WAS #FEESMUSTFALL ADDRESSED?

An additional **R5bn to the R32bn** previously announced has been allocated to higher education

Funds have been provided to ensure that no student whose combined family income **is below R600 000 per annum** will face fee increases at universities and TVET colleges for 2017

