

5. Levy of normal tax and rates thereof.—(1) Subject to the provisions of the Fourth Schedule there shall be paid annually for the benefit of the National Revenue Fund, an income tax (in this Act referred to as the normal tax) in respect of the taxable income received by or accrued to or in favour of—

(a)

.....

[Para. (a) deleted by s. 10 (1) (a) of Act No. 30 of 2002.]

Wording of Sections

(b)

.....

[Para. (b) substituted by s. 10 (1) (b) of Act No. 30 of 2002 and deleted by s. 15 (a) of Act No. 45 of 2003.]

Wording of Sections

(c)

any person (other than a company) during the year of assessment ending during the period of 12 months ending the last day of February each year; and

[Para. (c) substituted by s. 10 (1) (b) of Act No. 30 of 2002, by s. 15 (b) of Act No. 45 of 2003 and by s. 4 (1) of Act No. 13 of 2016 deemed to have come into operation on 1 March, 2016 and applicable in respect of years of assessment commencing on or after that date.]

Wording of Sections

(d)

any company during every financial year of such company.

[Sub-s. (1) substituted by s. 5 of Act No. 90 of 1964 and amended by s. 5 (a) of Act No. 103 of 1976.]

Wording of Sections

(1A)

[Sub-s. (1A) inserted by s. 5 (a) of Act No. 88 of 1971, deleted by s. 3 (a) of Act No. 104 of 1980, inserted by s. 3 of Act No. 90 of 1988 and deleted by s. 7 (1) (a) of Act No. 7 of 2010 deemed to have come into operation as from the commencement of years of assessment ending on or after 1 March, 2011.]

Wording of Sections

(2) (a) The Minister may announce in the national annual budget contemplated in section 27 (1) of the Public Finance Management Act 1999, (Act No. 1 of 1999), that, with effect from a date or dates mentioned in that announcement, the rates of tax chargeable in respect of taxable income will be altered to the extent mentioned in the announcement.

(b) If the Minister makes an announcement of an alteration contemplated in paragraph (a), that alteration comes into effect on the date or dates determined by the Minister in that announcement and continues to apply for a period of 12 months from that date or those dates subject to Parliament passing legislation giving effect to that announcement within that period of 12 months.

[Sub-s. (2) substituted by s. 6 (1) (a) of Act No. 95 of 1967, by s. 5 (b) of Act No. 103 of 1976, by s. 5 (a) of Act No. 113 of 1977, by s. 4 (a) of Act No. 20 of 2006, by s. 4 (a) of Act No. 8 of 2007 and by s. 6 (a) of Act No. 15 of 2016. Para. (b) substituted by s. 3 (a) of Act No. 23 of 2018.]

Wording of Sections

(2A)

[Sub-s. (2A) inserted by s. 6 (1) (b) of Act No. 95 of 1967, substituted by s. 7 (a) of Act No. 89 of 1969, by s. 5 (b) of Act No. 113 of 1977 and by s. 3 (a) of Act No. 129 of 1991 and deleted by s. 4 (b) of Act No. 20 of 2006.]

Wording of Sections

(2B)

[Sub-s. (2B) inserted by s. 7 of Act No. 52 of 1970 and deleted by s. 4 (b) of Act No. 8 of 2007.]

Wording of Sections

(3)

[Sub-s. (3) added by s. 6 of Act No. 88 of 1965, substituted by s. 6 (1) (c) of Act No. 95 of 1967 and by s. 7 (b) of Act No. 89 of 1969, deleted by s. 5 (1) (a) of Act No. 65 of 1973, inserted by s. 5 (c) of Act No. 103 of 1976 and deleted by s. 4 (b) of Act No. 8 of 2007.]

Wording of Sections

(4)

[Sub-s. (4) added by s. 6 of Act No. 88 of 1965, substituted by s. 6 of Act No. 76 of 1968, deleted by s. 5 (1) (a) of Act No. 65 of 1973, inserted by s. 5 (c) of Act No. 103 of 1976, substituted by s. 3 (b) of Act No. 104 of 1980 and deleted by s. 4 (b) of Act No. 8 of 2007.]

Wording of Sections

(5)

[Sub-s. (5) added by s. 6 of Act No. 88 of 1965, amended by s. 7 (1) (a) of Act No. 55 of 1966, deleted by s. 5 (1) (a) of Act No. 65 of 1973, inserted by s. 5 (c) of Act No. 103 of 1976 and deleted by s. 4 (b) of Act No. 8 of 2007.]

Wording of Sections

(6)

[Sub-s. (6) added by s. 6 of Act No. 88 of 1965, deleted by s. 5 (1) (a) of Act No. 65 of 1973, inserted by s. 5 (c) of Act No. 103 of 1976 and deleted by s. 4 (b) of Act No. 8 of 2007.]

Wording of Sections

(7)

[Sub-s. (7) added by s. 6 of Act No. 88 of 1965, substituted by s. 7 (1) (b) of Act No. 55 of 1966, deleted by s. 5 (1) (a) of Act No. 65 of 1973, inserted by s. 5 (c) of Act No. 103 of 1976, substituted by s. 271 read with para. 28 of Sch. 1 of Act No. 28 of 2011 and deleted by s. 6 (b) of Act No. 15 of 2016.]

Wording of Sections

(8)

[Sub-s. (8) added by s. 6 of Act No. 88 of 1965, substituted by s. 6 (1) (d) of Act No. 95 of 1967 and deleted by s. 5 (1) (a) of Act No. 65 of 1973.]

Wording of Sections

(9) For the purposes of subsection (10) “special remuneration” means any amount received by or accrued to any mineworker over and above his normal remuneration and any regular allowance, in respect of special services rendered by him (otherwise than in the course of his normal duties) in combating any fire, flood, subsidence or other disaster in a mine or in rescuing persons trapped in a mine or in performing any hazardous task during any emergency in a mine, if such services are rendered by him as a member of a team recognized by the management of the mine and the members of such team have been appointed for the purpose of rendering such services.

[Sub-s. (9) added by s. 7 (c) of Act No. 89 of 1969 and substituted by s. 5 (b) of Act No. 88 of 1971 and by s. 3 (a) of Act No. 94 of 1983.]

Wording of Sections

(10) Where any taxpayer’s income includes any special remuneration, or where the provisions of paragraph 15 (3), 17 or 19 (1) of the First Schedule are applicable in the case of the taxpayer in respect of any year of assessment, the normal tax (excluding tax on any lump sum benefit or severance benefit) payable by the taxpayer in respect of such year (as determined before the deduction of any rebate) shall be determined in accordance with the formula—

in which formula—

(a)

“Y” represents the amount of normal tax to be determined;

(b)

“A” represents the amount of normal tax (as determined before the deduction of any rebate) calculated at the full rate of tax chargeable for the said year in respect of taxable income equal to the amount represented by the expression “B + D – C” in the formula;

(c)

“B” represents the taxpayer’s taxable income (excluding any lump sum benefit or severance benefit) for the said year;

[Para. (c) substituted by s. 3 (b) of Act No. 23 of 2018.]

Wording of Sections

(d)

“C” represents an amount equal to the sum of—

(i)

the amount of any special remuneration (as defined in subsection (9)) which is included in the taxpayer’s income for the said year;

(ii)

where the provisions of paragraph 15 (3) of the First Schedule are in the case of the taxpayer applicable in respect of the said year, an amount determined in accordance with those provisions as being the amount, if any, by which the taxable income derived by the taxpayer during the said year from the disposal of plantations and forest produce exceeds the annual average taxable income derived by the taxpayer from that source over the three years of assessment immediately preceding the said year;

(iii)

where the provisions of paragraph 17 of the First Schedule are in the case of the taxpayer applicable in respect of the said year, an amount equal to so much of the taxable income of the taxpayer for such year as has been derived from the disposal of sugar cane as a result of fire in the taxpayer’s cane fields and but for such fire would not have been derived by the taxpayer in that year; and

(iv)

where the provisions of subparagraph (1) of paragraph 19 of the First Schedule are in the case of the taxpayer applicable in respect of the said year, the amount by which the taxpayer’s taxable income derived from farming for that year exceeds the taxpayer’s average taxable income from farming as determined in relation to that year in accordance with subparagraph (2) of the said paragraph; and

(e)

“D” represents an amount equal to so much of any current contribution to a pension fund, provident fund or retirement annuity fund as is allowable as a deduction in terms of section 11F solely by reason of the inclusion in the taxpayer’s income of any amount contemplated in paragraph (d) (i), (ii), (iii) or (iv):

[Para. (e) substituted by s. 5 (1) of Act No. 31 of 2013 (Editorial Note: effective date in s. 5 (2) of Act No. 31 of 2013 substituted by s. 120 (1) of Act No. 43 of 2014 as repealed by s. 156 (1) of Act No. 25 of 2015) and by s. 3 (1) of Act No. 17 of 2017 deemed to have come into operation on 1 March, 2016.]

Wording of Sections

Provided that in no case shall the amount of normal tax so payable be less than the amount of normal tax which would be chargeable at the relevant rate fixed in terms of subsection (2) in respect of the first rand of taxable income, and nothing in this section contained shall be construed as relieving any person from liability for taxation under this Act upon any portion of that person’s taxable income.

[S. 5 substituted by s. 2 of Act No. 6 of 1963. Sub-s. (10) added by s. 5 (c) of Act No. 88 of 1971, amended by s. 5 (b) of Act No. 90 of 1972, by s. 5 (1) (b) and (c) of Act No. 65 of 1973, by s. 5 (d) of Act No. 103 of 1976, substituted by s. 3 (c) of Act No. 104 of 1980, amended by s. 4 of Act No. 96 of 1981, by s. 4 of Act No. 91 of 1982, by s. 3 (b)-(d) of Act No. 94 of 1983, by s. 3 of Act No. 121 of 1984, by s. 3 of Act No. 65 of 1986, by s. 3 (b) of Act No. 129 of 1991, by s. 5 of Act No. 21 of 1994, by s. 4 of Act No. 21 of 1995, by s. 7 (1) of Act No. 5 of 2001, by s. 5 (1) of Act No. 19 of 2001, by s. 6 of Act No. 35 of 2007, by s. 3 of Act No. 3 of

2008, by s. 6 (1) of Act No. 60 of 2008, by s. 8 of Act No. 17 of 2009, substituted by s. 7 (1) (b) of Act No. 7 of 2010 and amended by s. 8 (1) (a) of Act No. 24 of 2011 deemed to have come into operation as from the commencement of years of assessment ending on or after 1 January, 2010 and by s. 8 (1) (b) of Act No. 24 of 2011 deemed to have come into operation on 1 March, 2011 and applicable in respect of amounts received or accrued on or after that date.]