

BUDGET REVIEW'2008/09

Introduction

Herewith the budget review for 2008/09.

This document shall replace earlier notices to clients with regard to budget announcements and tax updates.

Due to time constraints, this document is distributed to clients in its conceptual form. The document will be finalised during the coming year's budget review.

Please forward any suggestions in this regard to mr Johan de Kock at johandekock@sunjomar.co.za.

Budget Speech and Important Announcements

To be completed.

Current Rates, Amounts, Tables, Formulas and Calendar Dates

The following rates, amounts, tables, formulas and calendar dates apply:

	Date	2008/09	2007/08
Income Tax (IT)			
• Individuals			
• Rates			
	1/3/08	R0 - R122000: R0 + 18%	R0 - R112500: R0 + 18%
	1/3/08	R122000-R195000: R21960+25%	R112500-R180000: R20250+25%
	1/3/08	R195000-R270000: R40210+30%	R180000-R250000: R37125+30%
	1/3/08	R270000-R380000: R62710+35%	R250000-R350000: R58125+35%
	1/3/08	R380000-R490000: R101210+38%	R350000-R450000: R93125+38%
	1/3/08	Over R490000: R143010+40%	Over R450000: R131125+40%
• Rebates			
• Primary	1/3/08	R8280 p a	R7740 p a
• Secondary (Over 65 years)	1/3/08	R5040 p a (Total = R13320 p a)	R4680 p a (Total = R12420 p a)
• Tax Thresholds			
• Persons below age 65 years	1/3/08	R46000 p a	R43000 p a
• Persons 65 years and older	1/3/08	R74000 p a	R69000 p a
• Interest only (<age 65 years)	1/3/08	R65000 p a	R61000 p a
• Interest only (>age 65 years)	1/3/08	R101500 p a	R95000 p a
• Tax Rate Break-throughs			
• 28% (Company Tax)	1/4/08	R510583	R514682
• 34.55% (Co+Dividend Tax)	1/4/08	R1114000	R1451667

• Companies			
• Normal			
• Rates	1/4/08	28%	29%
• Rebates	-	R0 p a	R0 p a
• Small Business Corporations			
• Rates			
	1/4/08	R46000-R300000: R0+10%	R43000-R300000: R0+10%
	1/4/08	Over R300000: R25400+28%	Over R300000: R25700+29%
• Rebates	1/4/08	R46000 p a	R43000 p a
• Classification			
• Turnover	-	R14,0m p a	R14,0m p a
• Employees	1/4/08	Abolished	3
• Employment Companies			
• Rates	1/4/08	33%	34%
• Rebates	-	R0 p a	R0 p a
• Foreign Companies			
• Rates	1/4/08	33%	34%
• Rebates	-	R0 p a	R0 p a
• Passive Closely Held Co			
• Rates	-	Not yet introduced.	Not yet introduced.
• Rebates	-	Not yet introduced.	Not yet introduced.
• Trusts & Estates			
• Special Trusts			
• Rates	-	Same as tax rates for individuals.	Same as tax rates for individuals.
• Rebates	-	R0 p a	R0 p a
• Other Trusts			
• Rates	-	40%	40%
• Rebates	-	R0 p a	R0 p a
• Estates			
• Rates	-	Same as tax rates for individuals.	Same as tax rates for individuals.
• Rebates	-	R0 p a	R0 p a
• PBO's & Clubs			
• Rates	1/4/08	28%	29%
• Rebates	-	R0 p a	R0 p a
• Exemptions			
• > of			
• Taxable:Gross Income	-	5%	5%
• Basic			
• PBO	-	R100000 p a	R100000 p a
• Club	-	R50000 p a	R50000 p a
• Exemptions			
• Domestic Interest			
• Individuals	1/3/08	R19000 p a	R18000 p a
• Individuals (Over 65 years)	1/3/08	R27500 p a	R26000 p a
• Domestic Dividends			
• Individuals	-	100%	100%
• Foreign Interest & Dividends			
• Individuals	1/3/08	R3200 p a	R3000 p a

• Deductions			
• Pension Fund Cont (PF)			
• Employees			
• Current (No excess fwd)			
• > of			
• RF Employment	-	7,5%	7,5%
• Basic	-	R1750 p a	R 1750 p a
• Arrear (Excess fwd)			
• Basic	-	R1800 p a	R1800 p a
• Employers	-	To be completed.	To be completed.
• Retirement Fund Cont (RAF)			
• Employees			
• Current (Excess fwd)			
• > of			
• Non-RF Employment	-	15%	15%
• After PF Cont	-	R3500	R3500
• Basic	-	R1750 p a	R1750 p a
• Arrear (Excess fwd)		R1800 p a	R1800 p a
• Basic	-		
• Employers	-	To be completed.	To be completed.
• Sec18A-donations to PBO's	-	10%	10%
• Medical Expenses			
• Persons below age 65			
• Medical Scheme Cont			
• One Beneficiary	1/3/08	R570 p m	R530 p m
• Two Beneficiaries	1/3/08	R1140 p m	R1060 p m
• Additional Beneficiaries	1/3/08	R345 p m	R320 p m
• Actual Medical Expenses	-	7,5%	7,5%
• Persons 65 years and older			
• Medical Scheme Cont	-	100%	100%
• Actual Medical Expenses	-	100%	100%
• Handicapped Persons			
• Medical Scheme Cont	-	100%	100%
• Actual Medical Expenses	-	100%	100%
• Learnerships			
• Normal Employees			
• Existing Employee Enter	-	R20000 per contract	R20000 per contract
• New Employee Enter	-	R30000 per contract	R30000 per contract
• Completion	-	R30000 per contract	R30000 per contract
• Disabled Employees			
• Existing Employee Enter	-	R40000 per contract	R40000 per contract
• New Employee Enter	-	R50000 per contract	R50000 per contract
• Completion	-	R50000 per contract	R50000 per contract
• Capital Allowances			
• Buildings	-	To be completed.	To be completed.
• Farming	-	To be completed.	To be completed.
• Manufacturing	-	To be completed.	To be completed.

• Fringe Benefits			
• Use of Company Vehicle	-	To be completed.	To be completed.
• Medical Aid Contributions			
• Persons below age 65			
• Medical Scheme Cont (>)			
• One Beneficiary	1/3/08	R570 p m	R530 p m
• Two Beneficiaries	1/3/08	R1140 p m	R1060 p m
• Additional Beneficiaries	1/3/08	R345 p m	R320 p m
• Persons 65 years and older			
• Medical Scheme Cont (>)	1/3/08	R0 p m	R0 p m
• Long Service & Bravery			
• Value of award (>)	-	R5000 p a	R5000 p a
• Low Interest / Interest Free			
• Loan Amount (>)	-	R3000 p a	R3000 p a
• Bursaries & Scholarships			
• Remuneration (<)	1/3/08	R100000 p a	R60000 p a
• Bursary Amount (>)	1/3/08	R10000 p a	R3000 p a
• Payroll Allowances			
• Daily Subsistence			
• RSA			
• Incidental Costs	1/3/08	R73,50 p d	R63,50 p d
• Meals & Incidental Costs	1/3/08	R240,00 p d	R208,00 p d
• International	1/3/08	\$215,00 p d	\$200,00 p d
• Travelling			
• Deemed Private Use	-	18000km p a	18000km p a
• Deemed Max Business Use	-	14000km p a	14000km p a
• Lump-sum Payments			
• Resignation (from Fund)			
• Exemption	-	R1800 per lifetime	R1800 per lifetime
• Retrenchment			
• Exemption	-	R30000 per lifetime	R30000 per lifetime
• Retirement			
• Rates			
	1/10/07	R0-R300000: R0+18%	Not yet introduced.
	1/10/07	R300000-R600000: R54000+27%	Not yet introduced.
	1/10/07	Over R600000: R135000+36%	Not yet introduced.
• Rebates	1/10/07	R0 p a	Not yet introduced.
• Pension, Provident, Retirement			
• Rebates	-	R300000 per lifetime	R300000 per lifetime
• Death			
• Rebates	1/10/07	R300000 per lifetime	Not yet introduced.
• Private-use: Farmers (Products)	-	R6000+VAT	R6000+VAT
• Provisional Tax Payments			
• Registration Thresholds			
• Individuals (Over 65 years)	-	R80000 p a	R80000 p a
• Investment Inc Exemption			
• Individuals	8/1/09	R20000 p a	R10000 p a
• Minimum Payments/Receipts	-	R100	R100

• Employees Tax Payments			
• SITE Threshold	-	R60000 p a	R60000 p a
• Travelling Allowance	-	60%	60%
Turnover Tax			
• Micro Businesses			
• Rates	-	Not yet introduced.	Not yet introduced.
• Rebates	-	Not yet introduced.	Not yet introduced.
• Registration Requirements			
• Threshold	-	Not yet introduced.	Not yet introduced.
• Emigration From	-	Not yet introduced.	Not yet introduced.
• Immigration Back To	-	Not yet introduced.	Not yet introduced.
Capital Gains Tax (CGT)			
• CGT Inclusion Rate			
• Individuals & Special Trusts	-	25%	25%
• Legal Entities	-	50%	50%
• CGT Exemption			
• Individuals & Special Trusts	1/3/08	R16000 p a	R15000 p a
• Individuals (Date of Death)	-	R120000 per lifetime	R120000 per lifetime
• Legal Entities	-	R0 p a	R0 p a
• Primary Residence Exclusion			
• Individuals	-	R1,5m per sale	R1,5m per sale
• Legal Entities	-	R0 per sale	R0 per sale
Dividend Tax (STC)			
• STC Rate	-	10%	10%
• Dividend Tax Rate	-	Not yet introduced.	Not yet introduced.
Value Added Tax (VAT)			
• VAT Standard Rate	-	14%	14%
• VAT Registration Thresholds			
• Compulsary Registration (>)	-	R300000 p a	R300000 p a
• Compulsary De-registration			
• Commercial Rental (<)	-	R60000 p a	R60000 p a
• Other Taxable Supplies (<)	-	R20000 p a	R20000 p a
• Large Enterprises			
• Monthly Submission (C) (>)	-	R30,0m p a	R30,0m p a
• Small Enterprises			
• Payments Base Submission	-	R2,5m p a	R2,5m p a
• Four-monthly Submission (F)	1/3/08	R1,5m p a	R1,2m p a
• Six-monthly Submission (D)	1/3/08	R1,5m p a	R1,2m p a
• Small Transactions			
• VAT Reg Nr of Recipient	-	R3000 per invoice	R3000 per invoice
• No Tax Invoice	-	R50 per invoice	R50 per invoice

Fuel Levies			
• Fuel Levies			
• Petrol	1/3/08	127,0c per litre	121,0c per litre
• Diesel	1/3/08	111,0c per litre	105,0c per litre
• Road Accident Fund Levies			
• Petrol	2/4/08	46,5c per litre	41,5c per litre
• Diesel	2/4/08	46,5c per litre	41,5c per litre
• Diesel Rebates			
• Farmers	1/2/08	83,5c per litre	76,5c per litre
Electricity Levies			
• Electricity Levies	-	Not yet introduced.	Not yet introduced.
Estate Duty			
• Estate Duty Rate	-	20%	20%
• Estate Duty Exemption	-	R3,5m per lifetime	R3,5m per lifetime
Donations Tax			
• Donations Tax Rate	-	20%	20%
• Donations Tax Exemption			
• Individuals	-	R100000 p a	R100000 p a
• Legal Entities	-	R10000 p a	R10000 p a
Transfer Duty			
• Transfer Duty Rates			
• Individuals			
	-	R0-R500000: R0+0%	R0-R500000: R0+0%
	-	R500001-R1000000: R0+5%	R500001-R1000000: R0+5%
	-	Over R1,0m: R25000+8%	Over R1,0m: R25000+8%
• Legal Entities	-	8%	8%
Workmen's Comp Fund Cont			
• WC Fund Rates	-	Refer to detailed schedule.	Refer to detailed schedule.
Unemployment Ins Fund Cont			
• UIF Rates			
• Employers	-	1%	1%
• Employees	-	1%	1%
• UIF Ceiling	1/10/07	R149736 p a	R139944 p a
Skills Development Levies			
• SDL Rate (Employers)	-	1%	1%
• SDL Exemption (Payroll)	-	R500000 p a	R500000 p a
Regional Council Serv Levies			
• RCS Rates	-	Abolished	Abolished
Securities Tax			
• Listed/Unlisted Shares/Interest			
• Issue	1/7/08	Abolished	Abolished
• Change in Ownership (Value)	1/7/08	0,25%	0,25%
• Cancellation (Value)	1/7/08	0,25%	0,25%
Stamp Duty			
• Lease Agreements			
• Fixed Property (>5 years)	-	0,5% (>R500)	0,5% (>R500)
• Fixed Property (<5 years)	-	Abolished	Abolished

Tax on Retirement Funds			
• Tax on Retirement Funds Rate	-	Abolished	Abolished
Tax on International Air Travel			
• SACU Countries (Departing)	-	R60 per person per flight	R60 per person per flight
• Other Countries (Departing)	-	R120 per person per flight	R120 per person per flight
Exchange Control			
• Individuals			
• General Offshore Allowance	-	R2,0m p a	R2,0m p a
• Foreign Capital Allowance	-	R2,0m p a	R2,0m p a
• Travel Allowance (Adults)	-	R160000 p a	R160000 p a
• Travel Allowance (<12 years)	-	R50000 p a	R50000 p a
• Study Allowance (Student)	-	R160000 p a	R160000 p a
• Study Allowance (S +Spouse)	-	R320000 p a	R320000 p a
• Travel Allowance (Student)	-	R50000 p a	R50000 p a
• Travel Allowance (S+Spouse)	-	R100000 p a	R100000 p a
• Maintenance & Alimony	-	R9000 p m	R9000 p m
• Gifts	-	R30000 p a	R30000 p a
• Wedding & Celebrations	-	R50000 per occasion	R50000 per occasion
• Emigrating Families			
• Foreign Capital Allowance	-	R4,0m	R4,0m
• Companies			
• Shares in Foreign Entity	-	25%	25%
• Individuals & Companies			
• Small Transactions	-	R20000 per transaction	R20000 per transaction
Interest			
• Sec89(quat) Interest (SARS)			
• Individuals	-	R50000 p a	R50000 p a
• Legal Entities	-	R20000 p a	R20000 p a
• Interest Rates			
• Official Rate (SARS)	1/3/08	12%	10%
• Interest Received from SARS	1/3/08	10%	8%
• Interest Paid to SARS	1/3/08	14%	12%
• Prime Rate (SARB)	6/2/09	14%	12,5%

Calendar Dates			
• Financial Year-end			
• Individuals	-	28/29 February	28/29 February
• Legal Entities	-	Any month-end.	Any month-end.
• First Provisional Tax			
• Individuals	-	31 August	31 August
• Legal Entities	-	Six months before year-end.	Six months before year-end.
• Second Provisional Tax			
• Individuals	-	28/29 February	28/29 February
• Legal Entities	-	On year-end.	On year-end.
• Third Additional Tax			
• February year-end	-	30 September	30 September
• Other year-ends	-	Six months after year-end.	Six months after year-end.
• VAT Returns			
• Manual Submission	-	25th	25th
• SARS eFiling	-	Month-end.	Month-end.
• EMP Returns	-	7th	7th
• UIF Returns	-	7th	7th
• WC Fund Returns	-	31 March	31 March
• SITE & PAYE Reconciliation	1/6/08	31 August	30 April
• IT Returns			
• Individuals (IT12)	1/6/08	21 November	14 July
• Trusts (IT12)	1/6/08	19 December	14 July
• Legal Entities (IT14)	1/6/08	Twelve months after year-end.	31 October
• Extension for IT Returns			
• Individuals (IT12S)	1/6/08	5 February	31 October
• Individuals & Trusts (IT12)	1/6/08	5 February	31 December
• Legal Entities (IT14)	1/6/08	Twelve months after year-end.	28/29 February
• STC Returns	-	Month-end (following month).	Month-end (following month).
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Notes

To be completed.

Specific Topics

To be completed.

Semi-automated Internal Processes of Sun Jomar Rekenmeesters

The following services will automatically be rendered by Sun Jomar Rekenmeesters, in cases where you contracted us to do so:

	<u>Clients</u>	<u>Dates</u>
Taxation Department		
• Income Tax (IT)		
• Income Tax (General)		
• Exsentions	All Taxpayers	After Receipt of Return
• Submit Return (IT12/IT14)	All Taxpayers	After Completion of Financials
• Check Assessment (IT34)	All Taxpayers	On Receipt of Assessment
• Conclude Objections	When Disagree with Assessment	After Receipt of Assessment
• Conclude Enquiries & Questionairs	When Requested by SARS	After Receipt of Enquiry
• Conclude Administrative Matters	All Taxpayers	When Need Arises
• Tax Planning & Other Consultation	When Need Arises	After Completion of Financials
• Provisional Tax		
• Submit First Provisional Tax (IRP6(1))	All Provisional Taxpayers	Refer to above Calendar Dates
• Submit Second Provisional Tax (IRP6(2))	All Provisional Taxpayers	Refer to above Calendar Dates
• Submit Third Provisional Tax (IRP6(3))	Certain Provisional Taxpayers	Refer to above Calendar Dates
• Employees Tax		
• Submit Return (EMP201)	Certain Employers	Refer to above Calendar Dates
• Conclude Objections	When Disagree with Assessment	After Receipt of Assessment
• Conclude Enquiries & Questionairs	When Requested by SARS	After Receipt of Enquiry
• Submit Reconciliation (EMP501)	Certain Employers	Refer to above Calendar Dates
• Prepare IRP5- & IT3(a)-certificates	Certain Employers	Refer to above Calendar Dates
• Value Added Tax (VAT)		
• Submit Return (VAT201)	All VAT Vendors	Refer to above Calendar Dates
• Conclude Objections	When Disagree with Assessment	After Receipt of Assessment
• Conclude Enquiries & Questionairs	When Requested by SARS	After Receipt of Enquiry
• Conclude Administrative Matters	All VAT Vendors	When Need Arises
• Workmen's Comp Fund Cont		
• Submit Return (W.As.9)	All Employers	Refer to above Calendar Dates
• Check Assessment (W.As.6))	All Employers	On Receipt of Assessment
• Conclude Objections	When Disagree with Assessment	After Receipt of Assessment
• Conclude Enquiries & Questionairs	When Requested by Workm Comp	After Receipt of Enquiry
• Unemployment Ins Fund Cont		
• Submit Return (UF3)	All Employers	Refer to above Calendar Dates
Secretarial Department		
• Annual Inspection		
• Scrutinise Statutory Documents	All Companies, CC's & Trusts	January
• Update Statutory Documents	Certain Companies, CC's & Trusts	January
• Annual Return		
• Submit Annual Return	Certain Companies	Month of Incorporation
• Annual General Meeting		
• Conclude Secretarial Matters	All Companies, CC's & Trusts	After Completion of Financials
• Submit Statutory Notices	When Need Arises	After Completion of Financials

Legal Department		
• Contracts & Forms		
• Conclude Trading Contracts & Forms	When Requested by SARS	When Need Arises
Audit Department		
• Audit		
• Request Information & Documentation	All Audit Clients	When Need Arises
• Conclude Further Investigative Procedures	All Audit Clients	When Need Arises
• Prepare Report of Auditor	All Audit Clients	After Completion of Financials
• Management Letter		
• Prepare Management Letter	When Need Arises	After Completion of Financials
Financial Statement Department		
• Annual Financial Statements		
• Update Bookkeeping & Financials	All Clients	When Need Arises
• Request Information & Documentation	All Clients	When Need Arises
• Prepare Report of Accountant	All Clients, except CC's & Audits	After Completion of Financials
• Prepare Report of Accounting Officer	All Close Corporations	After Completion of Financials
Service Burea Department		
• Management Statements		
• Request Information & Documentation	All Businesses	When Need Arises
• Prepare Management Statements	Certain Businesses	Thirty Days after Month-end
• Statistics		
• Submit Questionnaire	Certain Businesses	On Receipt of Questionnaire
• Other Routine Services		
• Other Services Requested by Client	Certain Clients	After Requested by Client
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