



## Tax table

In 2026/27, personal income tax brackets will be adjusted in line with expected inflation of 3.4%.

Individuals and special trusts	
Taxable income (R)	Rate of tax
<b>1 – 245 100</b>	18% of taxable income
<b>245 101 – 383 100</b>	R44 118 + 26% of taxable income above R245 100
<b>383 101 – 530 200</b>	R79 998 + 31% of taxable income above R383 100
<b>530 201 – 695 800</b>	R125 599 + 36% of taxable income above R530 200
<b>695 801 – 887 000</b>	R185 215 + 39% of taxable income above R695 800
<b>887 001 – 1 878 600</b>	R259 783 + 41% of taxable income above R887 000
<b>1 878 601 and above</b>	R666 339 + 45% of taxable income above R1 878 600

Rebates and tax thresholds		
	Rebate	Tax threshold
<b>Primary - below age 65</b>	R17 820	R99 000
<b>Secondary - age 65 to 75</b>	R9 765	R153 250
<b>Tertiary - age 75 and above</b>	R3 249	R171 300

## Dividends tax and interest exemption

Dividends tax remains at 20% and no changes were made to the interest exemptions either. The exemption remains

R23 800 for those younger than 65 and R34 500 for those aged 65 or older.

## Capital gains tax (CGT)

The inclusion rate for capital gains remains unchanged at 40% for natural persons and 80% for companies and trusts. This means the maximum CGT rates are:

Individuals and special trusts	18.0%
Other trusts	36.0%
Companies	21.6%
Individual policyholder funds	12.0%

The annual exclusion increases to R50 000 while the exclusion at death increases to R440 000.

The capital gains tax exemption for the sale of a small business for persons older than 55 is raised from R1 800 000 to R2 700 000. This applies to small businesses worth less than R15 000 000.

The primary residence exclusion is increased to R3 000 000.

## Corporate taxes

The rate of corporate income tax remains at 27%.

South Africa will implement updated global minimum tax rules. The rules are expected to reduce profit shifting by multinational corporations.

The turnover limits for tax in micro businesses were increased by 80%.

Turnover tax regime for micro businesses*	
Turnover threshold (R)	Rate of tax
<b>0 – 600 000</b>	0%
<b>600 001 – 950 000</b>	1% of the amount above R600 000
<b>950 001 – 1 400 000</b>	R3 500 + 2% of the amount above R950 000
<b>1 400 001 and above</b>	R12 500 + 3% of the amount above R1 400 000

\* Maximum turnover to qualify is R2 300 000



## Transfer duty

The transfer duty brackets are increased by 10%.

Transfer duty rates	
Value of property (R)	Rate of tax
1 – 1 210 000	0%
1 210 001 – 1 663 800	3% of the value above R1 210 000
1 663 801 – 2 329 300	R13 614 + 6% of the value above R1 663 800
2 329 301 – 2 994 800	R53 544 + 8% of the value above R2 329 300
2 994 801 – 13 310 000	R106 784 + 11% of the value above R2 994 800
13 310 001 and above	R1 241 456 + 13% of the value exceeding R13 310 000

## Motor vehicle expenses

Value	Fixed Cost (R p.a.)	Fuel cost (c/km)	Maintenance (c/km)
0 – 115 000	38 344	132.9	49.1
115 001 – 230 000	68 487	148.4	61.4
230 001 – 345 000	98 689	161.2	67.8
345 001 – 460 000	125 393	173.4	74.0
460 001 – 575 000	152 097	185.5	86.9
575 001 – 690 000	180 078	212.8	102.0
690 001 – 805 000	208 106	216.5	114.5
Exceeding 805 000	237 679	220.1	126.9

## Trusts

No changes to the taxation of trusts were announced.

## Medical aid rebates

Medical tax credits will be adjusted in line with expected inflation of 3.4%. The tax credit for the first two dependants will increase from R364 to R376, and from R246 to R254 for additional members.

## Savings and retirement fund changes

Taxpayers will be able to deduct contributions to any retirement fund up to a maximum of 27.5% of the greater of remuneration for PAYE purposes or taxable income (both excluding retirement fund lump sums and severance benefits). The deduction is capped at R430 000 (up from R350 000).

In addition, the annual contribution limit on tax-free investments has been increased from an annual limit of R36 000 to an annual limit of R46 000. The overall limit of R500 000 was not adjusted.

## Subsistence allowance

The daily subsistence allowance increases to R595 per day for meals and incidental costs, and R184 per day for incidental costs alone. SARS provides a table for allowances with regard to different international countries on their website.

## VAT rate and VAT registration threshold

The VAT rate remains at 15%.

The compulsory VAT registration threshold for small businesses has increased from R1 000 000 to R2 300 000.

## Duties and levies

Excise duties on alcoholic beverages and tobacco products will increase in line with expected inflation of 3.4%.

## Estate duty and donations tax

No changes were announced to estate duty.

The exemption for donations made by entities has increased from R10 000 to R20 000. The exemption for donations made by individuals will increase from R100 000 to R150 000.

## Foreign exchange reserve

To reduce the amount of debt Government will need to raise, R25 billion will be withdrawn from the Gold and Foreign Exchange Contingency Reserve Account that is used to protect the currency.



## Foreign exchange allowance

The single discretionary foreign allowance limit for private individuals is increased from R1 000 000 to R2 000 000 per calendar year.

## Electric and hydrogen vehicles

Producers of electric and hydrogen-powered vehicles will receive a tax incentive from 2026. They will be able to deduct 150% of the costs of producing the vehicle from tax in the first year of production.

## Fuel levy

The general fuel levy is increased by less than inflation to R4.10/ litre for petrol and R3.93/ litre for diesel. In addition, the RAF levy increases to R2.25/litre and the carbon tax levy increases to 19c /litre for petrol and 23c/litre for diesel.

## Collective investment schemes

It is recommended that all investment returns generated by regular CISs and retail investment hedge funds be taxed as capital. Qualified investment hedge funds will be excluded. Further consultation will take place during the year.

## National online gambling tax

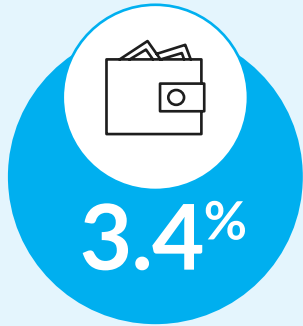
A tax of 20% on gross gambling revenue generated by online gambling is proposed. This is in addition to the current taxes paid to provinces. Further consultation will take place during the year.

## Ronald N King CFP® CTA®

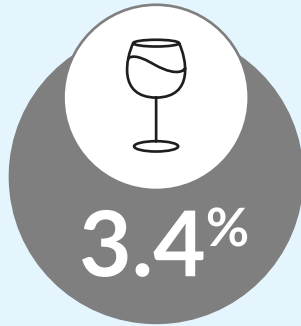
Head: Public Policy & Regulatory Affairs

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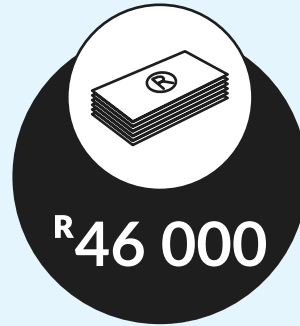
## Highlights



Personal income tax brackets increased in line with **expected inflation**.



Excise duty increase on **alcohol and tobacco**.



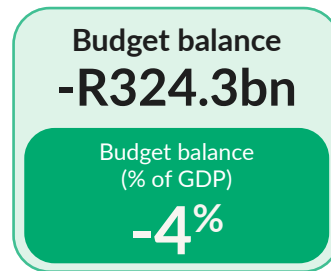
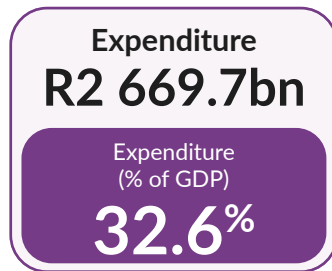
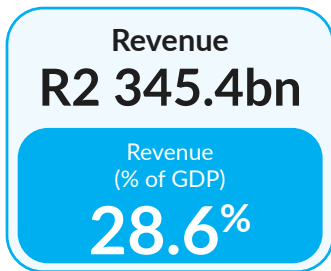
**TFSA contribution limit** increased from R36 000 per year.



**Retirement fund deductions limit** raised from R350 000 per year.

**Outtake of interest:** Further consultation on national **gambling tax** to take place in 2026.

## Budget framework



## Breakdown of how Government spends R100

