



# 2015 / 2016 Budget Highlights

February 2015

## Monthly Newsletter

This month's newsletter focuses on the budget 2015/2016 and the impact on you.

### Main proposals:

- Marginal personal income tax rates increased by 1% for all taxpayers earning more than R181 900. Tax brackets and rebates increased by 4.2%;
- Fuel is increased by 80.5 cents per litre, owing to the increase in the fuel and Road Accident Fund levies;
- Provide a more generous turnover tax regime for small businesses;
- Increase sin taxes;
- Change of transfer duty rates and brackets;
- No change to corporate tax rates.

The increase in the RAF levy will be used partly to clear the fund's backlog of R98bn in unfunded liability.

### How does this affect me?

- The fuel levy is now at R2.55 per litre for petrol and R2.40 per litre for diesel, which represents about 26% of the current fuel price;
- One bottle of 750ml wine will increase by 15 cents;
- Box of 20 cigarettes will set you back an extra 82 cents;
- A taxpayer earning **R200 000** a year will pay **R21** more per month; if you earn **R500 000** a year you will pay **R271** more per month and at **R1.5m** a year you will pay **R1 105** more per month;

The increases in personal income tax rates and the fuel levies will add an extra R16bn to gross tax revenue. To put this into perspective, this increase will almost cover free meals to 9 million learners over the next 3 years.

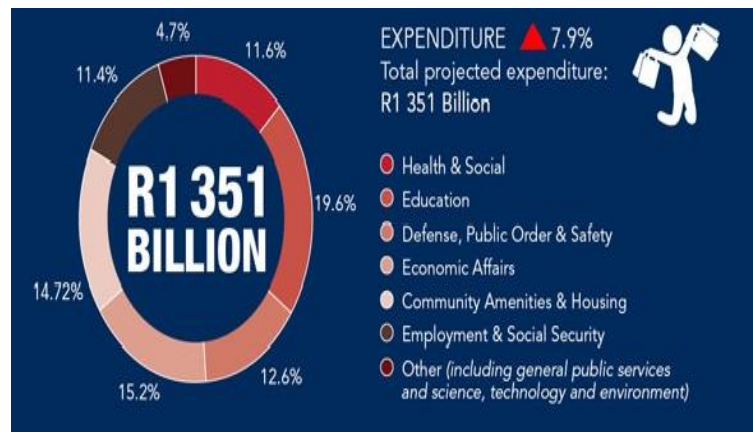
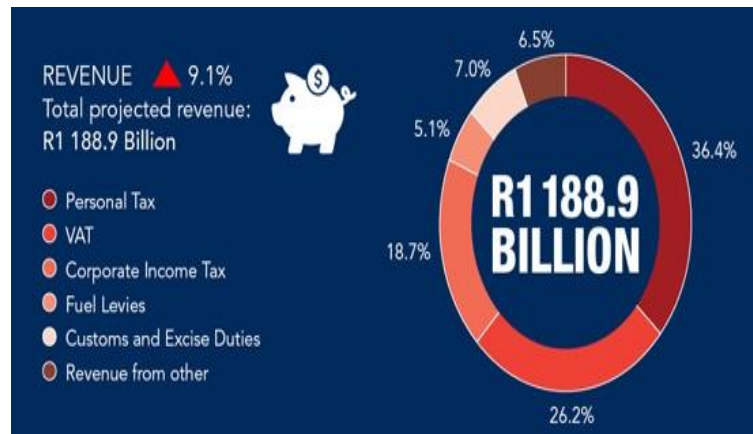
### New tax tables and rebates:

Taxable income	Tax payable
R0 – R181 900	Straight 18%
R181 901 – R284 100	R32 742 + 26% above R181 900
R284 101 – R393 200	R59 314 + 31% above R284 100
R393 201 – R550 100	R93 135 + 36% above R393 200
R550 101 – R701 300	R149 619 + 39% above R550 100
R701 301 and above	R208 587 + 41% above R701 300

Primary rebate	Secondary rebate	Tertiary rebate
R13 257	R7 407	R 2 466

### Show me the money!

Below is a summary of where the money comes from and where it is planned on being spent:



- With an estimated Gross Domestic Product of R 4 191 bn, South Africa sees a budget deficit of 3.9%.
- The R162 bn shortfall represents a 6.4% growth in budget deficit.
- South Africa's top tax bracket at 41% compares poorly with the global average of around 32%.

Weak economic growth, predicted at only 2%, has reduced the tax revenue by R14.7 bn