

PERSONAL INCOME TAX



What's new?

• **Planned Maintenance:**

SARS will be migrating to a new electronic services hosting platform in April as part of its plans to upgrade its Information Technology (IT) systems. As a result, clients may experience intermittent downtime from 17:00 on Friday 12 April 2019 to 06:00 on Tuesday 16 April 2019. This will impact the following SARS systems:

- SARS eFiling and SARS eFiling app (including registrations, filing, payment and the functionality to upload supporting documents)
- e@syFile™ Employer
- SARS website.

For any assistance during this time, clients can go to any SARS branch or contact the SARS Contact Centre on 080 000 7277 / +2711 602 2093 (during normal operating hours).

Please note: eFiling payments cannot be made during the downtime, but official alternative payment methods will be available (click here for more info: SARS payment rules).

We apologise for any inconvenience caused and appreciate your co-operation.

• **28 January 2019 - Changes applicable to Insolvent Taxpayers (Individuals) and their Insolvent Estates**

From 25 January 2019, individual taxpayers that are voluntarily or mandatorily sequestrated must submit income tax returns, [read more](#).

What is it?

Income tax is the normal tax which is paid on your taxable income.

Examples of amounts an individual may receive, and from which the taxable income is determined, include –

- Remuneration (income from employment), such as, salaries, wages, bonuses, overtime pay, taxable (fringe) benefits, allowances and certain lump sum benefits
- Profits or losses from a business or trade
- Income or profits arising from an individual being a beneficiary of a trust
- Director's fees
- Investment income, such as interest and foreign dividends
- Rental income or losses
- Income from royalties
- Annuities
- Pension income
- Certain capital gains

Who is it for?

You are liable to pay income tax if you earn more than:

For the 2020 year of assessment (1 March 2019 - 29 February 2020) - [see changes from last year](#)

- R79 000 if you are younger than 65 years.
- If you are 65 years of age or older, the tax threshold (i.e. the amount above which income tax becomes payable) increases to R122 300.
- For taxpayers aged 75 years and older, this threshold is R136 750.

For the 2019 year of assessment (1 March 2018 - 28 February 2019) -

- R78 150 if you are younger than 65 years.
- If you are 65 years of age or older, the tax threshold (i.e. the amount above which income tax becomes payable) increases to R121 000.
- For taxpayers aged 75 years and older, this threshold is R135 300.

For the 2018 year of assessment (1 March 2017 - 28 February 2018)

- R75 750 if you are younger than 65 years.
- If you are 65 years of age or older, the tax threshold (i.e. the amount above which income tax becomes payable) increases to R117 300.
- For taxpayers aged 75 years and older, this threshold is R131 150.

For the 2017 year of assessment (1 March 2016 - 28 February 2017)

- R75 000 if you are younger than 65 years.
- If you are 65 years of age or older, the tax threshold (i.e. the amount above which income tax becomes payable) increases to R116 150.
- For taxpayers aged 75 years and older, this threshold is R129 850.

For the 2016 year of assessment (1 March 2015 - 29 February 2016)

- R73 650 if you are younger than 65 years.
- If you are 65 years of age or older, the tax threshold (i.e. the amount above which income tax becomes payable) increases to R114 800.
- For taxpayers aged 75 years and older, this threshold is R128 500.

[See more tax rates here.](#)

Top tip: You do not need to submit a return if ALL the criteria below apply to you:

- Your total employment income / salary for the year (March 2017 to February 2018) before tax (gross income) was not more than R350 000; and
- You only received employment income / salary for the full year of assessment (March 2017 to February 2018) from one employer; and
- You have no car allowance/company car/ travel allowance or other income (e.g. interest or rental income); and
- You are not claiming tax related deductions/rebates (e.g. medical expenses, retirement annuity contributions other than pension contributions made by your employer, travel).

[Still unsure if you need to submit a return? Click here.](#)

The rates of tax chargeable on taxable income are determined annually by Parliament, and are generally referred to as “marginal rates of tax” or “statutory rates”. The rate of tax levied on an individual is set on a sliding scale which results in the tax increasing as taxable income increases. Every year, the Minister of Finance announces the rates to be levied by publishing the applicable [tax tables](#) during the annual [budget speech](#).

What steps must I take to ensure compliance?

Step one: You must register for income tax

If you earn a taxable income which is above the tax threshold (see above), you must register as a taxpayer with SARS.

If you are not yet registered, you would only be required to visit a SARS branch to [register for the first time](#). All additional tax type registration can be performed from eFiling without having to visit a branch again. You can register once for all different tax types using the [client information system](#).

Kindly note that the 'IT77 registration form for Individuals' was discontinued and that the only way to register is to visit a SARS branch where the friendly staff will register you on our system.

Important: Make sure you have all the [supporting documents \(relevant material\)](#) needed. We won't be able to register you unless all the documents are received.

Step two: You must submit a return

If you are registered for income tax, you will be required to submit an annual income tax return to SARS. [See the Tax Tables](#). The 2018 year of assessment (commonly referred to as a “tax year”) runs from 1 March 2017 to 28 February 2018. Every year, SARS announces its Tax Season, a period during which you are required to submit your annual income tax return. The tax season for 2018 opens on 1 July 2018. The income tax return which should be completed by individuals is known as the [ITR12](#) form. The updated ITR12 Comprehensive Guide will be available once the Tax Season opens.

If you have forgotten your password, you can reset by calling our Contact Centre and following a [simple procedure](#).

When should it be submitted?

- 21 September 2018 - At a SARS branch (provisional and non-provisional)
- 31 October 2018 - eFiling (non-provisional)
- 31 January 2019 - Provisional taxpayers via eFiling

If you don't submit your income tax return on time, you may be liable for [penalties](#).

How should it be submitted?

Online: The easiest and quickest way to file a tax return is online, by making use of SARS [eFiling](#). You must, however, first register for eFiling on the SARS eFiling website. We have a page where we explain to you in detail [how to register for eFiling](#). Once registered, you can complete the online form to create your return. Note that you will start by completing the first page of the form which contains several questions regarding the nature of your tax affairs (referred to as a return “wizard”). Completion of this part will automatically tailor the tax return to your specific tax requirements.

Once you have registered for eFiling, you can also file your return by making use of your cellular phone in linking with our [Smartphone App](#). Alternately, you can download our eFiling App, after which you will be able to file your individual Income Tax Returns quickly and easily via your iPhone 4 or 4s, iPad, Android phone and Android tablet.

In a branch: The tax return can also be requested by visiting any SARS branch office. To find your nearest branch visit our [branch locator](#). (Please note that there may be delays and queues during filing season, which is why SARS promotes the use of eFiling as a medium for return submission)

Top Tip: When completing your return, you will require the following documentation in order to verify the existing, pre-populated information that appears in the return, as well as to complete any remaining portions:

- IRP5: This is the employees' tax certificate your employer issues to you.
- Certificates you received for local interest income earned.
- Any other documentation relating to income received or accrued, such as remuneration that has not been reported to SARS by your employer, or business or investment income, etc.
- Details of medical expenses paid and medical scheme contributions made.
- The relevant certificates reflecting your retirement annuity fund contributions made.
- A logbook and other documents in support of business travel expenses (if the travel allowance is part of your remuneration or if you have the right of use of a company car taxable benefit).
- Any other documentation relating to the allowable deductions you wish to claim.