


Information on Income Tax
for Salaried Employees

2006

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BACKGROUND

This brochure has been provided to assist you with the completion of your Personal Income Tax (IT12SS) return. For easy reference, each section in this brochure is numbered to correspond with the same section in your IT12SS form. Please read the brochure in conjunction with your IT12SS form and your IRP5/IT3(a) certificates.

Should you experience any difficulty in completing this form, you are welcome to make contact with your local SARS office - visit us, phone us or write to us. We are here to help you.

There are four main categories of information that you are required to provide:

1. Details of type of income received, or accrued (you will have received these from your employer / fund / institution)(e.g. IRP5/IT3(a));
2. Details of additional income;
3. Details of deductions claimed;
4. Additional information.

Do not include any payments, or correspondence which does not relate to this return.

If you receive any income from rental, farming or business activities, please visit your local SARS office for the applicable / correct return and request the SARS office to change the status of your registered details accordingly.

YOUR SIGNATURE

The return must be signed by you

If the return is not signed by you it will be considered as not having been received and will be returned to you. This could result in penalties for the late rendition of your return.

Completion of the return

If you have received a return, you are required to complete and submit it to your local SARS office, irrespective of whether or not your net remuneration exceeded R60 000 per annum.

Late rendition and non-submission of your return

You are obliged to make a full and accurate disclosure of all relevant information. Misrepresentation, neglect, furnishing false information, or non-submission of your return could lead to penalties and / or additional assessments (together with interest) and / or prosecution.

Objection to an assessment

An objection to an assessment must be substantiated in writing and must reach the SARS branch office shown on the assessment notice within 30 days after the date of the assessment.

The obligation to pay tax, or interest on unpaid tax, is not suspended by an objection or an appeal.

NOTE:

Should you require any further assistance, contact your local SARS office, or visit the SARS website (www.sars.gov.za).

SECTION 1: PERSONAL PARTICULARS



The form has already been pre-printed with your details. Check to ensure that they are correct. If they have changed, are incorrect, or are omitted, please complete the white areas of page 1.

Change of address details

In terms of section 67 of the Income Tax Act you are compelled to notify your local SARS office within a 60 day period of any change of address details in respect of the address used for correspondence. Failure to do so could result in penalties being levied in terms of Section 75 of the Income Tax Act.

SECTION 1.15 BANKING DETAILS

It is vital that your banking details reflected on your return be correct, in order to prevent refunds being made into incorrect bank accounts. Indicate any changes to banking details in the white blocks in Section 1.15. Electronic transfers are effected utilising the branch number of your bank, and not the name of the bank.

NOTE:

No refund will be paid into the bank account of a third party or agent.

+ SECTION 2: INCOME RECEIVED AND / OR ACCRUED

SECTION 2.1 MAIN SOURCE OF INCOME

Use the undermentioned table (arranged alphabetically for ease of reference) to determine the sector in the economy from which your main income is derived, and fill this in, in the two blocks next to the number 35 in part 2.1.

EXAMPLE:

- You receive salary income from a retail shop. You would then have to select code 22 (Retail trade) from the list below. Therefore, your main income source code will be 3522.
- Should you be in receipt of pension, you need to select code 25 (Financing, insurance, etc.). Therefore, your main income source code will be 3525.
- Should you be employed by a department of the National or Provincial government you need to select code 26 (Public administration). In this case the main income source code should, therefore, be reflected as 3526.

DESCRIPTION	SOURCE CODE
Agencies and other services	34
Agriculture, forestry and fishing	01
Bricks, ceramics, glass, cement and similar products	11
Catering and accommodation	23
Chemicals and chemical, rubber and plastic products	09
Clothing and footwear	05
Coal and petroleum products	10
Construction	20
Educational services	27
Electricity, gas and water	19
Employment (Director of a Company / Member of CC)	35
Financing, insurance, real estate and business services	25
Food, drink and tobacco	03
Leather, leather goods and fur (excl. footwear & clothing)	06
Machinery and related items	14
Medical, dental and other health and veterinary services	29
Metal	12
Metal products (except machinery and equipment)	13
Mining and quarrying	02
Other manufacturing industries	18
Paper, printing and publishing	08
Personal and household services	32
Public administration	26
Recreation and cultural services	31
Research and scientific institutes	28
Retail trade (including mail order)	22
Scientific, optical and similar equipment	17
Social and related community services	30
Specialised repair services	33
Textiles	04
Transport equipment (excl. vehicles, parts and accessories)	16
Transport, storage and communication	24
Vehicles, parts and accessories	15
Wholesale trade	21
Wood, wood-products and furniture	07

SECTION 2.2 INCOME SHOWN ON YOUR IRP5 AND / OR IT3(a)

Are you in receipt of an IRP5 or IT3(a) in respect of income received?

Complete section 2.2 of your return by transcribing the information reflected on your IRP5 and/or IT3(a) certificate(s), as illustrated in the example below.

INCOME

EXAMPLE OF THE INCOME SECTION OF AN IRP5 AND / OR IT3(a)

Code	Description	RF Ind.	Amount
3601	Salary	Y	155 250
3703	Other allowance taxable	N	2 750
3605	Annual payment	N	20 000
3705	Subsistence non-taxable	N	1 000
3901	Gratuity	N	10 000

EXAMPLE OF THE INCOME SECTION OF THE RETURN

Income received (e.g. salary, wages and pension)
Attach certificates and other supporting documentation to page 3 of your return.

Name of employer / fund / institution	Period		RF Ind.	Rands only								Source Code				
	From	To														
XYZ Employer	01/03/2005	28/02/2006	Y			1	5	5	2	5	0	3	6	0	1	
XYZ Employer	01/03/2005	28/02/2006	N						2	7	5	0	3	7	0	3
XYZ Employer	01/03/2005	28/02/2006	N				2	0	0	0	0	3	6	0	5	
XYZ Employer	01/03/2005	28/02/2006	N					1	0	0	0	3	7	0	5	
XYZ Employer	01/03/2005	28/02/2006	N					1	0	0	0	3	9	0	1	

All income items reflected on your IRP5 and / or IT3(a) certificates must be transcribed onto part 2.2 of your return.

Complete part 2 of the return using the information on the IRP5 and / or IT3(a) as illustrated in the example.

GROSS RETIREMENT-FUNDING INCOME

Should the section on your IRP5 and / or IT3(a) certificate that relates to gross remuneration have an amount indicated next to code 3697 - Gross retirement-funding income - you need to fill this amount in next to the code 3697 reflected in part 2.2 of your return, as illustrated in the example below.

EXAMPLE OF THE GROSS REMUNERATION SECTION OF AN IRP5 AND / OR IT3(a) CERTIFICATE

CODE	DESCRIPTION	AMOUNT
3695	Gross taxable annual payments	
3696	Gross non-taxable income	
3697	Gross retirement-funding income	XXXXXXXX
3698	Gross non-retirement-funding income	
3699	Gross remuneration	

EXAMPLE OF THE INCOME SECTION OF YOUR RETURN

Name of employer / fund / institution	Period		RF Ind.	Rands only								Source Code			
	From	To													
Gross Retirement-funding Income				X	X	X	X	X	X	X	X	3	6	9	7



SECTION 3: OTHER INCOME

Investment income constitutes income derived primarily from an investment with any financial institution or company, such as a bank, or unit trust administrator. Dividends received in respect of local investments, excluding dividends derived from property trusts (as these dividends are deemed to be interest), are not taxable. Dividends received from foreign investments are taxable and must be declared in Section 3.3 of your return.

SECTIONS 3.1 - 3.3 GROSS AMOUNTS RECEIVED FROM INVESTMENT INCOME

Should you be in receipt of any investment income, please complete the schedule on page 12 of this brochure to calculate the amount to be reflected on your return next to the applicable codes 4201, 4218 and 4216 in respect of local interest, foreign interest and foreign dividends, respectively.

The gross amounts received must be reflected, as the exemptions will be done programmatically by SARS.

If you are married OUT OF community of property, or UNMARRIED, the income from foreign and local interest received must be listed in Section 3 of your return. If you are in receipt of income from foreign dividends, you must complete Section 3.3 of your return. If you are married IN community of property, only 50% of the income must be declared. The other 50% is taxable in the hands of your spouse. An income advice in respect of any investment must be obtained from the institution where your funds are invested and attached to page 3 of your return. The same split must be applied in respect of any foreign tax credits.

NOTE:

The exemption applicable to the 2006 year of assessment is R15 000, if you are under the age of 65 years, and R22 000 if you are 65 years of age and older. Should your investment income, therefore, exceed R25 000 if you are under the age of 65 years, and R32 000 if you are 65 years or older, you need to register as a provisional taxpayer. If, however, you are 65 years of age or older, and your taxable income does not exceed R80 000 you are exempt from the payment of provisional tax. The exemption will be offset against foreign dividends, foreign interest and local interest received. The exemption on foreign investments, i.e. foreign dividends and foreign interest, is however, limited to R2 000, and will be offset in the following order: foreign dividends, foreign interest and local interest.

SECTION 3.4 CAPITAL GAIN / LOSS

The gain on the sale of a primary residence in excess of R1 million, and gains made on the disposal of shares, are typical examples of assets that would attract Capital Gains Tax. Should you have obtained a valuation certificate, it must be retained and lodged with the return in which the disposal of the asset is declared.

Complete the Schedule on page 12 of this brochure by supplying the following information in order to calculate the capital gain / loss. The calculated gain / loss must be declared in part 3 of your return.

- PROCEEDS: This is the selling price of the asset.
- BASE COST: This is the expenditure actually incurred in respect of the cost of the acquisition or creation of that asset.
- EXCLUSION / ADJUSTMENTS (NOT ANNUAL EXCLUSIONS): In the case of individuals not carrying on a trade, it would be personal-use assets, long-term insurance policies, etc.
- CAPITAL GAIN / LOSS: This would be the result of Proceeds minus Base cost (Roll-over base cost and Exclusions, if applicable).

Indicate the main asset type source codes as follows:

Description of assets	SOURCE CODES	
	LOCAL	FOREIGN
Primary residence (e.g. house, townhouse, flat, boathouse, caravan).....	6504	6532
LOSS: Primary residence (e.g. house, townhouse, flat, boathouse, caravan).....	6505	6533
Financial instruments - Listed (e.g. shares, units in unit trusts, bonds, futures, options).....	6506	6534
LOSS: Financial instruments - Listed (e.g. shares, units in unit trusts, bonds, futures, options).....	6507	6535

Although the Act provides for a primary exclusion of R10 000, the full amount of the gain / loss must be declared as the primary exclusion, as well as inclusion rate of 25%, will be calculated programmatically by SARS.

NOTE:

A capital loss can be offset only against capital gain. The local and foreign capital gains / loss must be declared separately on your return.

SECTION 3.5 OTHER (SPECIFY)

If you received any income other than that which is reflected in part 2.2 and / or parts 3.1 to 3.4 you need to reflect the amount in part 3.5 of your return, with a description of the type of income received.

NOTE:

If, however, the other income is representative of rental, farming or business income you need to approach our local SARS office for the applicable / correct return.

SECTION 4: TAX CREDITS AND REASONS FOR NON-DEDUCTION



Income received could be reflected on either an IRP5 or an IT3(a) certificate. An IRP5 certificate will be issued in respect of income on which either SITE and / or PAYE was deducted. If, however, you are in receipt of income from which no tax was deducted your employer or financial institution will issue you with an IT3(a) certificate.

EXAMPLES OF PARTS OF THE IRP5 AND IT3(a) TO COMPLETE PART 4 OF THE INCOME TAX RETURN

EMPLOYER INFORMATION (IRP5 AND / OR IT3(a))

TRADING OR OTHER NAME
IRP5 NUMBER
REFERENCE NUMBER
TAX YEAR
DIPLOMATIC INDEMNITY

XYZ EMPLOYER
12345678
7770777777
2006

EMPLOYER BUSINESS ADDRESS
PO BOX 123
PRETORIA
0000

IRP5

EXAMPLE OF THE GROSS REMUNERATION SECTION OF AN IRP5 / IT3(a)

GROSS REMUNERATION (IRP5 AND / OR IT3(a))

Code	Description	Amount
3695	Gross taxable annual payments	
3696	Gross non-taxable income	
3697	Gross retirement-funding income	
3698	Gross non-retirement-funding income	
3699	Gross remuneration	XXXXXX

EXAMPLE OF THE SITE AND PAYE SECTION OF THE IRP5 AS WELL AS THE INCOME TAX RETURN

EMPLOYEES TAX DEDUCTIONS (IRP5)

Code	Description	Amount
4101	Standard Income Tax on Employees - SITE	4 500.00
4102	Pay As You Earn - PAYE	34 129.93
4103	Total Employees Tax	38 629.93

Original IRP5 certificate number	Employer (PAYE) reference number	Gross Remuneration (3699)	SITE (4101) R c	PAYE (4102) R c
12345678	7 7 7 0 7 7 7 7 7	XXXXXX	4 5 0 0 0 0	3 4 1 2 9 9 3

INFORMATION REQUIRED IN RESPECT OF IT3(a) CERTIFICATE

Complete only the IT3(a) number, PAYE reference number and Gross Remuneration (3699) as no tax would have been deducted. In stead of Employees Tax please complete the reason code for Non-Deduction of Employee Tax, e.g. 02, as illustrated on the next page.

IT3(a)

EXAMPLE OF REASON CODE

Code	Description
02	Earned Less than Tax Threshold
03	Independent Contractor

REASON CODE 02

IRP5 certificate numbers	Employer (PAYE) reference number	Gross Remuneration (3699)	Reason Code
12345678	7 7 7 0 7 7 7 7 7 7	XXXXXX	0 2

See previous page

SECTION 5: DEDUCTIONS

SECTION 5.1 MEDICAL AND DENTAL EXPENSES

Claim the contributions to your Medical Aid Scheme. This would normally be reflected next to code 4005 on your IRP5.

Please note that, should a medical benefit be reflected next to code 3810 on your IRP5, it represents the fringe benefit in respect of medical contributions. This means that the contributions to the medical fund are paid on behalf of yourself by your employer. As your employer is in fact paying the medical contributions, you may not claim this amount. Only amounts actually paid by yourself may be claimed and will qualify to be considered as a deduction.

The amounts actually paid by yourself via your employer should be reflected next to code 4005 in the "Deduction" section of your IRP5, as illustrated below.

DEDUCTIONS

EXAMPLE OF THE DEDUCTION SECTION OF AN IRP5

Code	Description	Clearance No	Amount
4001	Pension Contributions	18/20/4000	4 257
4005	Medical Contributions		8 400

EXAMPLE OF THE MEDICAL SECTION OF THE RETURN

MEDICAL AND DENTAL EXPENSES: (Please consult your brochure)
Your claim will only be considered if the proof as requested below is submitted.

Contributions to medical funds (attach proof of contributions not reflected on your IRP5) **(excluding contributions by employer)**

Medical Fund statement i.r.o. expenses not recovered (Please attach relevant statement)

Other amounts not submitted to / recovered from Medical Fund (Please complete and attach the prescribed schedule on page 13 of this brochure)

Expenses i.r.o. physical disability (not recovered from a medical fund)

State nature of disability

TOTAL EXPENSES

Rands only	Source Code
8 4 0 0	4 0 0 5
	4 0 2 0
	4 0 2 1
	4 0 2 2
	4 0 0 8

YOUR CLAIM WILL NOT BE CONSIDERED IF THE FOLLOWING DOCUMENTATION IS NOT ATTACHED TO YOUR RETURN TO SUBSTANTIATE YOUR CLAIM:

- Proof of contributions paid to your medical fund by yourself.
- Medical fund statement in respect of expenses not recovered: Please attach the statement received from your medical fund during February 2006, indicating the accumulative amount in respect of the amount paid by you for claims submitted and not recovered from the medical fund.
- Other amounts not submitted to / recovered from your medical fund: Complete the schedule of expenditure on page 13 of this brochure and attach to page 3 of your return.

If the benefits allocated by your medical fund, in respect of certain medical procedures, are exhausted, you must submit proof from the medical fund in this regard.

SECTIONS 5.1.2 - 5.1.3 NON-RECOVERABLE MEDICAL EXPENSES

Claim the following amounts **ACTUALLY PAID BY YOURSELF** and not recovered from your medical aid, in respect of yourself, your spouse, and your qualifying children, or stepchildren:

- Services rendered and medicines supplied by a registered medical practitioner, dentist, optometrist, homeopath, naturopath, osteopath, herbalist, physiotherapist, chiropractor or orthoptist;
- Hospitalisation in a registered hospital or nursing clinic;
- Home nursing by a registered nurse;
- Medicines prescribed by a registered physician and acquired from a registered pharmacist;
- Medical expenses incurred and paid outside the Republic.

SECTION 5.1.4 PHYSICAL DISABILITY

Please specify the nature of the disability suffered by yourself, your spouse or qualifying children (e.g. glasses, diabetes, etc.), as well as details of how the amount claimed was calculated. Only amounts not recovered from your medical fund will be considered as a deduction.

SECTION 5.1.5 HANDICAPPED PERSON

A "HANDICAPPED PERSON" is a blind person, a deaf person or a person who, as a result of a permanent disability, requires a wheelchair, calliper or crutch to assist him or her to move from one place to another, or a person who requires an artificial limb. It also includes a person who suffers from a mental illness as defined in the Mental Health Act 1973 (Act No. 18 of 1973).

In order for the medical expenses to be classified as expenses in respect of "handicapped" the following documentation must be submitted:

Blind person - A letter on a letterhead confirming the diagnosis and classification of the taxpayer, signed by a professional person trained to use a Snellen chart.

Deaf person - Four categories are statistically kept by DEAFSA (Deaf Federation of South Africa), namely, persons who are profoundly deaf, persons who are severely hard of hearing, persons who are moderately hard of hearing, and persons who have a mild hearing loss. For purposes of the Income Tax Act, a person who is profoundly deaf or a person who is severely hard of hearing is impaired to such an extent that he or she cannot use hearing as primary means of communication. Confirmation of the severity of deafness from DEAFSA or a similar institution must be submitted.

Mental illness - Confirmation is required, by way of a medical report, from either a psychiatrist or a registered psychologist, clearly stating that such person is mentally ill as defined by the Mental Health Act. This confirmation must be done on an annual basis.

The allowable deduction is subject to the following limitations:

- **TAXPAYERS UNDER THE AGE OF 65 YEARS**
That portion of the expenses referred to above which exceeds 5% of your taxable income, before deducting medical expenses, will qualify as a deduction.
- **TAXPAYERS 65 YEARS AND OLDER**
If you are 65 years of age or older, you are allowed to deduct all expenses referred to above, without any limitation.
- **HANDICAPPED PERSON**
Where you, your spouse, qualifying child or stepchild is a "handicapped person", that portion of expenses referred to above which exceeds R500 qualifies for deduction. In other words, the first R500 does not qualify as a deduction.

Claim all the qualifying expenses. The limitation will be calculated by SARS.

Receipts must be available on request to substantiate your claim.

SECTION 5.2 DONATIONS

Did you make any donations?

List the donations made, and attach the original Section 18A receipts to page 3 of your return. Claim the total amount, as the allowable deductions will be determined programmatically by SARS.

SECTIONS 5.3 - 5.8 PENSION FUND, RETIREMENT ANNUITY FUND, PROVIDENT FUND AND INCOME PROTECTION CONTRIBUTIONS

Did you contribute to a Pension and / or Retirement Annuity fund?

Complete the applicable section in part 5 of your return.

Claim the actual contributions, as the calculation will be done by SARS. Any excess amount in respect of retirement annuity fund contributions will be carried forward to the succeeding year of assessment. Arrear pension and / or retirement annuity fund contributions must be claimed in parts 5.4 and / or 5.6 of the return and proof of such arrear payments must be submitted to substantiate your claim.

PENSION FUND: Your contributions will be limited to 7,5% of your retirement-funding income (3697).

RETIREMENT ANNUITY FUND: Any deduction in excess of R1 750 will be calculated by SARS. Only a member's contributions during the year of assessment will be considered as a deduction, i.e. you may not claim contributions made on behalf of a third party (e.g. wife, child). Contributions reflected on the IRP5 will no longer be considered as a deduction as from the 2006 year of assessment.

Did you contribute to a Provident fund?

Complete part 5.7 of your return.

The contributions made to a provident fund will not be considered as a deduction. The aggregate amount of contributions not taken into account as a deduction will, however, be incorporated in the calculation of the taxable benefit on exit from such fund.

Did you make any Income Protection contributions?

Use the amount reflected on the certificate received from the applicable institution to complete part 5.8.

Deductions will be considered in respect of policies where it covers you against the loss of income as a result of illness, injury, disability or unemployment and the amounts payable in terms of the policy constitutes or will constitute income as defined.

SECTION 5.9 OTHER EXPENSES

If you incurred any other expenses, please provide full details of such expenses and enter the amount of your claim in Section 5.9. If you are in receipt of a travel allowance and wish to claim, please refer to the section in the brochure dealing with Travelling on page 10.

Limitation of deductions (Section 23(m) of the Income Tax Act)

General deductions in the determination of your taxable income, Section 11 of the Income Tax Act, will only be considered if your remuneration (income from employment) consists mainly or wholly from commission based on sales. "Wholly or mainly" means more than 50% of your gross remuneration (salary type of income).

Subscription fees to professional bodies will, therefore, not be considered as a deduction.

RSA SECTION 6: RESIDENCE BASIS OF TAXATION

SECTION 10(1)(o)(ii) EXEMPTION

As from the 2002 tax year, all South African residents are taxed on their worldwide income.

Section 10(1)(o)(ii), however, exempts from income tax any remuneration received or accrued to a person in respect of services rendered outside the Republic, for or on behalf of any employer, if that person was outside the Republic -

- for a period or periods exceeding 183 full days in aggregate during any 12 months period commencing or ending during that year of assessment; and
- for a continuous period exceeding 60 full days during that period or periods.

Should you have received income which you consider exempt as described above, submit a detailed schedule thereof and attach it to page 3 of your return.

NOTE:

Proof of entry into, and exit from, the Republic must be available on request.

This section must be completed and attached to page 3 of your Income Tax Return.

8.1 Acquisition of fixed property

Did you or your minor child / children acquire any fixed property during this year of assessment? YES NO 7 5 0 1 ●

If "yes", submit a schedule with a description and location (address) of the asset as well as the purchase price thereof.

8.2 Disposal of fixed property

Did you or your minor child / children dispose of any fixed property during this year of assessment? YES NO 7 5 0 2 ●

If "yes", submit a schedule with a description and location (address) of the asset disposed of and indicate the amount received in respect of the disposal.

8.3 Acquisition of moveable assets such as a motor vehicle, caravan, boat, etc.

Did you or your minor child / children acquire any moveable assets such as a motor vehicle, boat, caravan, etc. in excess of R30 000 during this year of assessment? YES NO 7 5 0 3 ●

If "yes", submit a schedule with a description of all the assets of which the market value exceeds R30 000 and indicate the individual purchase price of such assets.

8.4 Disposal of moveable assets

Did you or your minor child / children dispose of any moveable assets such as a motor vehicle, boat, caravan, etc. in excess of R30 000 during this year of assessment? YES NO 7 5 0 4 ●

If "yes", submit a schedule with a description of all the assets of which the market value exceeds R30 000 and indicate the amount received in respect of each disposal.

8.5 Donations received

Did you or your minor child / children receive any donations in excess of R30 000, in cash or otherwise, during this year of assessment? YES NO 7 5 0 5 ●

If "yes", submit a schedule of all donations received in excess of R30 000, with a description of the donation, the value thereof and the name, address and identity number of the donor.

8.6 Donations made

Did you or your minor child / children make any donations in excess of R30 000, in cash or otherwise, during this year of assessment? YES NO 7 5 0 6 ●

If "yes", submit a schedule detailing all donations made in excess of R30 000, with a description of the donations made, the value thereof and the name, address and identity number of the donee.

8.7 Inheritance received

Did you or your minor child / children receive any form of inheritance in excess of R30 000, in cash or otherwise, during this year of assessment? YES NO 7 5 0 7 ●

If "yes", submit a schedule detailing all bequests, the value of which exceeds R30 000, together with a description and value of each such bequest.





TRAVELLING EXPENSES

Did you receive a travel allowance?

Please complete the schedule on page 11 and attach the completed schedule to page 3 of your return. Travelling expenses may be claimed according to one of the following methods:

- (i) Where accurate records of expenses have been kept, complete Sections 1, 2 and 4 on page 11 to calculate your claim.
- (ii) Where no records of expenses have been kept, use the information in the table below and complete Sections 1, 2 and 3 on page 11 to calculate your claim.

NOTE:

Your claim will not be considered if Section 2 on page 11 has not been completed.

The value at the beginning of the year of assessment will only apply if you complete part 4 (actual expenditure) of this schedule.

Scale of costs in respect of motor vehicles			
WHERE THE VALUE OF THE VEHICLE -	FIXED COST R	FUEL COST c	MAINTENANCE c
Does not exceed R40 000	14 489	34,5	21,6
exceeds R40 000 but does not exceed R60 000	19 869	36,2	22,4
exceeds R60 000 but does not exceed R80 000	25 068	36,2	22,4
exceeds R80 000 but does not exceed R100 000	30 893	40,7	27,8
exceeds R100 000 but does not exceed R120 000	35 578	40,7	27,8
exceeds R120 000 but does not exceed R140 000	40 732	40,7	27,8
exceeds R140 000 but does not exceed R160 000	46 157	45,0	37,7
exceeds R160 000 but does not exceed R180 000	51 930	45,0	37,7
exceeds R180 000 but does not exceed R200 000	57 332	51,1	41,6
exceeds R200 000 but does not exceed R220 000	63 287	51,1	41,6
exceeds R220 000 but does not exceed R240 000	68 697	51,1	41,6
exceeds R240 000 but does not exceed R260 000	74 287	51,1	41,6
exceeds R260 000 but does not exceed R280 000	78 992	53,9	49,8
exceeds R280 000 but does not exceed R300 000	83 744	53,9	49,8
exceeds R300 000 but does not exceed R320 000	88 854	53,9	49,8
exceeds R320 000 but does not exceed R340 000	94 322	53,9	49,8
exceeds R340 000 but does not exceed R360 000	99 240	59,8	65,5
exceeds R360 000	99 240	59,8	65,5

If the vehicle was used for a period less than 365 days, the fixed cost component must be reduced pro rata on a day to day basis.

Unless accurate records of kilometres travelled for both business and private purposes were kept, the first 16 000 km travelled will be deemed to be for private purposes. Business kilometres travelled are deemed to be equal to the difference between total kilometres travelled and 16 000 km - provided that the business kilometres do not exceed 16 000 km.

NOTE:

Should you calculate your travel claim based on actual kilometres travelled, such kilometres travelled must be substantiated by way of a log book. The following minimum information relating to business kilometres travelled should be reflected to enable SARS to consider this claim.

- Date on which you travelled.
- The destination to and from.
- The kilometres travelled.

TRAVELLING EXPENSES

**If you claim travelling expenses please complete this page and attach it to page 3 of your return.
If this schedule is not attached to your return, your claim i.r.o travel, cannot be considered.**

**PLEASE NOTE THAT YOUR CLAIM WILL NOT BE CONSIDERED IF PART 2 OF THIS PAGE HAS NOT BEEN COMPLETED.
IF AN ACCURATE LOGBOOK WAS KEPT, A COPY THEREOF MUST ACCOMPANY THIS RETURN**

1: DETAILS OF MOTOR VEHICLES

Vehicle number	Registration number	Make and model	Date acquired or leased	Cost price or cash value	If sold or traded in during the year		Value at beginning of year of assessment (Only i.r.o. part 4)	Source Code				
					Selling price	Date sold						
1								7	5	3	4	•
2								7	5	3	5	•

2: DETERMINATION OF BUSINESS USE

	Vehicle 1	Vehicle 2	Source Code				
	Kilometres	Kilometres					
(i) Odometer reading on 2006/02/28 (indicate date if other than 2006/02/28)			7	5	5	0	•
(ii) Odometer reading on 2005/03/01 (indicate date if other than 2005/03/01)			7	5	5	1	•
Total of actual kilometres travelled {(i) - (ii)}			7	5	5	2	•
LESS: Private kilometres travelled			7	5	5	3	•
BUSINESS KILOMETRES TRAVELLED			7	5	5	4	•

If you are in receipt of a travel allowance, you have the option to complete either part 3 or 4 to calculate your claim.
If you are not in receipt of an allowance, you may only complete part 4 to calculate your claim.

3: WHERE NO RECORDS OF EXPENSES HAVE BEEN KEPT

(Please see previous page for table of fixed, fuel and maintenance costs)

	Vehicle 1	Vehicle 2														
$\text{FIXED COST} = \frac{\text{Fixed cost}}{\text{Total km travelled}} \times \frac{\text{Period used (days)}}{365}$																
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; border-bottom: 1px solid black;">R</td> <td style="width: 15%; border-bottom: 1px solid black;"></td> <td style="width: 10%; text-align: center;">X</td> <td style="width: 10%; text-align: center;">days</td> <td style="width: 10%; border-bottom: 1px solid black;"></td> <td style="width: 10%; text-align: center;">/</td> <td style="width: 10%; text-align: center;">365</td> </tr> <tr> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;"></td> <td style="text-align: center;">X</td> <td style="text-align: center;">days</td> <td style="border-bottom: 1px solid black;"></td> <td style="text-align: center;">/</td> <td style="text-align: center;">365</td> </tr> </table>	R		X	days		/	365			X	days		/	365		
R		X	days		/	365										
		X	days		/	365										
Fuel costs																
Maintenance costs																
TOTAL COST (cents per km)																
Business km travelled <input style="width: 50px;" type="text"/> X Total Cost <input style="width: 50px;" type="text"/>																
Business km travelled <input style="width: 50px;" type="text"/> X Total Cost <input style="width: 50px;" type="text"/>																
Business kilometres travelled are limited to 16 000 km where no accurate logbook was kept.																
TOTAL DEDUCTION: VEHICLES 1 & 2 (Carry this amount over to part 5.9 of your return)		<input style="width: 100px; height: 20px;" type="text"/>														

4: WHERE RECORDS OF EXPENSES HAVE BEEN KEPT

	Vehicle 1	Vehicle 2														
	Rands	Rands														
Fuel and oil																
Repairs and maintenance																
Insurance and licences																
Other expenses (specify on a separate schedule)																
Wear and tear, OR																
Lease payments																
TOTAL COST																
$\text{BUSINESS COST} = \frac{\text{Business km travelled}}{\text{Total km travelled}} \times \frac{\text{Total cost}}{\text{I}}$																
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		X	R		/											
		X	R		/											
TOTAL DEDUCTION: VEHICLES 1 & 2																
(Carry this amount over to part 5.9 of your return)		<input style="width: 100px; height: 20px;" type="text"/>														





TAX COMPUTATION

Summary of information furnished in your return to assist you in calculating your tax liability

If you received foreign income, the allowable deductions in respect of DONATIONS, RETIREMENT ANNUITY FUND CONTRIBUTIONS, and MEDICAL AND DENTAL EXPENSES will be proportioned in the ratio your foreign and local income bears to the total income, before offsetting the above-mentioned deductions. For further details refer to the relevant Interpretation Note No 18 on the SARS website www.sars.gov.za or contact your local SARS office.

INCOME		
All items reflected in part 2 of your return, but excluding non-taxable amounts		R
Local investment income		R
Foreign interest and foreign dividends		R
Other local income		R
Sub-total		R
LESS: EXEMPTIONS (refer to page 4 of this brochure)		R
Sub-total		R
LESS: DEDUCTIONS		
Pension fund contributions (parts 5.3 / 5.4 of your return)		R
Retirement annuity contributions (parts 5.5 / 5.6 of your return)		R
Income protection contributions (part 5.8 of your return)		R
Any other deductions not specifically addressed e.g. travelling, but excluding donations and medical deductions (part 5.9 of your return)		R
Sub-total		R
ADD: (IF LOSS, DO NOT INCLUDE IN CALCULATION)		
Calculated capital gain (refer to Section 3.4 of your return)	R.....	
Less: Annual exclusion (R10 000)	R.....	
Sub-total (Aggregate capital gain)	R.....	
Aggregate capital gain x 25% (inclusion rate)		R
Total taxable foreign income (If applicable) (Excluding foreign investment income)		R
Sub-total		R
LESS:		
Donations (part 5.2 of your return)		R
Sub-total		R
LESS:		
Medical (part 5.1 of your return) (refer to page 7 of this brochure for the limitations)		R
TAXABLE INCOME		R
Normal tax on taxable income (see tax rates below)		R
LESS:		
Rebates (see below)		R
TOTAL TAX PAYABLE		R
LESS:		
SITE (refer to the SITE (4101) column in part 4 of your return)		R
PAYE (refer to the PAYE (4102) column in part 4 of your return)		R
Foreign taxes paid (if applicable)		R
TAX PAYABLE BY / TO YOU		R

Statutory rates of tax applicable to individuals

WHERE THE TAXABLE INCOME -	
Does not exceed R80 000	18% of each R1 of the taxable income
Exceeds R80 000 but does not exceed R130 000	R14 400 plus 25% of the amount by which the taxable income exceeds R80 000
Exceeds R130 000 but does not exceed R180 000	R26 900 plus 30% of the amount by which the taxable income exceeds R130 000
Exceeds R180 000 but does not exceed R230 000	R41 900 plus 35% of the amount by which the taxable income exceeds R180 000
Exceeds R230 000 but does not exceed R300 000	R59 400 plus 38% of the amount by which the taxable income exceeds R230 000
Exceeds R300 000	R86 000 plus 40% of the amount by which the taxable income exceeds R300 000

Tax rebates for 2005

Rebates: primary rebate R6 300 - 65 years and older R4 500