

# SARS Tax Brackets & Tax Tables for 2023-2024

## Personal Income Tax

In South Africa, you are liable to pay income tax if you earn more than:

- R95 750 and you are younger than 65 years.
- If you are 65 or older but younger than 75 years old, the tax threshold (i.e. the amount above which income tax becomes payable) is R148 217.
- For taxpayers aged 75 years and older, this threshold is R165 689.

A tax table is a chart that displays the amount of tax due based on income received. The tax rate in the relevant tables may be shown as an amount, a percentage rate, or a combination of both.

### Tax Table 2023/2024

Taxable Income (R)	Rate of Tax (R)
1 – 237 000	18% of taxable income
237 101 – 370 500	42 678 + 26% of taxable income above 237 100
370 501 – 512 800	77 362 + 31% of taxable income above 370 500
512 801 – 673 000	121 475 + 36% of taxable income above 512 800
673 001 – 857 900	179 147 + 39% of taxable income above 673 000
857 901 – 1 817 000	251 258 + 41% of taxable income above 857 900
1 817 001 and above	644 489 + 45% of taxable income above 1 817 000

The higher your taxable income, the more tax you are due to pay. Your taxable income is your profit from your business less any [taxable deductions](#) that are awarded to you as a Sole Trader.

The deductions that you can utilise include Retirement Annuities, Donations to a Public Benefit Organisation (PBO) and Medical Expenses. These deductions are all calculated differently with different limitations.

### Pension, Provident and Retirement Annuity Fund Contributions

Retirement fund lump sum benefits consist of lump sums from a pension, pension preservation, provident, provident preservation or retirement annuity fund on death, retirement, or termination of employment due to attaining the age of 55 years, sickness, accident, injury, incapacity, redundancy, or termination of the employer's trade.

## Medical Aid Tax Credits

Monthly contributions to medical schemes (a tax rebate referred to as a medical scheme fees tax credit) by the individual who paid the contributions.

Per Month (R)	2023-2024
For the taxpayer who paid the medical scheme contributions	R364
For the first dependant	R364
For each additional dependant(s)	R246

## Rebates

Rebates	2023-2024
Primary	R17 235
Secondary (Persons 65 and older)	R9 444
Tertiary (Persons 75 and older)	R3 145

In some instances, where your taxable income is below a certain level according to your age group, you will not pay any taxes. These are the thresholds below:

## Tax Threshold for Individuals

Age	Tax Threshold
Below age 65	R95 750
Age 65 to below 75	R148 217
Age 75 and older	R165 689

If you are a Sole Trader, you would need to pay provisional taxes which are filed twice every year to pay forward your estimated taxes. If you do not do this, you will incur penalties and interest on your under-declaration of your income.

## Taxes for Companies and Close Corporations

A private company is seen as a legal person in South Africa. These are profit companies and non-profit companies which can be clubs, churches and other charitable organisations.

Profit companies are the most commonly used entity type in South Africa and are the easiest to form. Private companies are mainly owner-run businesses.

Close corporations are another type of entity that were used previously and were very similar to companies, but they can no longer be registered.

For the year ending on any date on or after [31 March 2023](#).

Type	Rate of Tax (R)
Companies	27% of taxable income

## Small Business Corporations Tax Table

A [small business corporation is taxed differently](#) and there are major tax benefits for companies that qualify. However, there are strict rules which need to be met before an entity can qualify as a Small Business Corporation. Here are the requirements:

- Must be a corporate entity (Close Corporation, Private Company or Personal Liability Company).
- All shareholders of the entity must all be natural persons.
- The entity may not have a turnover of more than R 20 million.
- Shareholders may not hold shares in other companies.
- Entity may not be a personal service provider.

For the year of assessment 1st April 2023 to 31st March 2024:

Taxable Income (R)	Rate of Tax (R)
1 – 95 750	0% of taxable income
95 751 – 365 000	7% of taxable income above 95 750
365 001 – 550 000	18 848 + 21% of taxable income above 365 000
550 001 and above	57 698 + 27% of the amount above 550 000

For companies, close corporations, personal liability companies and those which qualify as a Small Business Corporation, your [Net Profit](#) on which your tax is payable is your total taxable income (excluding any capital proceeds) less any qualified deductions and special allowances.

Once you come to your Net Taxable Income, you will then [pay your taxes based on that taxable income](#).

### Dividends Tax

Dividends tax is a final tax on dividends at a rate of 20%, paid by resident companies and non-resident companies in respect of shares listed on the Johannesburg Stock Exchange (JSE) or other South African licensed exchange.

Dividends are tax-exempt if the beneficial owner of the dividend is a South African company, retirement fund or other exempt people. Non-resident beneficial owners of dividends may benefit from reduced tax rates in limited circumstances

### Deductions

[Filing a tax return](#) is one of the many inescapable (and sometimes nasty) realities of being a working adult. More than that, it's a legal requirement and failing to file a tax return could land you in serious legal trouble with government agencies.

However, during this process, you will also report your tax deductions, which are business expenses that can lower the amount of tax you have to pay during the fiscal year.

The SARS has a list of available tax tables to help you calculate your deductions, you can use the links below to access them:

### **Retirement fund contributions**

Amounts contributed to a pension, provident and retirement annuity funds during a year of assessment are deductible by members of those funds.

The deduction is limited to 27.5% of the greater of the amount of remuneration for PAYE purposes or taxable income (both excluding retirement fund lump sums and severance benefits)

### **Medical and disability expenses**

Monthly contributions to medical schemes (a tax rebate referred to as a medical scheme fees tax credit) by the individual who paid the contributions are up to R364 for each of the first two persons covered by those medical schemes, and R246 for each additional dependent.

### **Travel allowances**

If you have to travel often for work and your employer pays a travel allowance, you can get some cash back from SARS. Make sure you keep a detailed logbook of your trips and the costs involved otherwise SARS will reject your claim. At least there is some payback for the taxing times spent on the road!

### **Business expenses (Self-employed)**

Independent contractors, freelancers and sole proprietors, take note. Whether it's stationery, telephone or employee costs, SARS will allow you to deduct all expenses related to making your income. Make sure you are very thorough when it comes to keeping all invoices and records of these expenses. It will pay off in the end. If you use accounting software, such as QuickBooks, keeping track of invoices, expenses and receipts is a breeze.

### **Other deductions for Self-employed people**

Other than the deductions set out above, an individual may only claim deductions against employment income or allowances in limited specified situations, e.g. bad debt in respect of salary.

## Transfer Duty

Transfer duty is payable at the following rates on transactions which are not subject to VAT:

Acquisition of property by all persons:

Value of property (R)	Rate
1 – 1 100 000	0%
1 100 001 – 1 512 500	3% of the value above R1 100 000
1 512 501 – 2 117 500	R12 375 + 6% of the value above R 1 512 500
2 117 501 – 2 722 500	R48 675 + 8% of the value above R 2 117 500
2 722 501 – 12 100 000	R97 075 +11% of the value above R2 722 500
12 100 001 and above	R1 128 600 + 13% of the value exceeding R12 100 000

## Turnover Tax

A turnover tax is similar to VAT, with the difference that it taxes intermediate and possibly capital goods. It is an indirect tax, typically on an ad valorem basis, applicable to a production process or stage.

Taxable turnover (R)	Rate of tax (R)
1 – 335 000	0% of taxable turnover
335 001 – 500 000	1% of taxable turnover above 335 000
500 001 – 750 000	1 650 + 2% of taxable turnover above 500 000
750 001 and above	6 650 + 3% of taxable turnover above 750 000