

**OFFICIAL GAZETTE**  
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**GOVERNMENT NOTICE**

**GOEWERMENTSKENNISGEWING**

No. 110 Promulgation of Income Tax Amendment Act, 1987 (Act 8 of 1987), of the National Assembly.

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No. 110 Afkondiging van Wysigingswet op Inkomstebelasting, 1987 (Wet 8 van 1987), van die Nasionale Vergadering.

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**Government Notice**

**Goewermentskennisgewing**

**DEPARTMENT OF  
GOVERNMENTAL AFFAIRS**

**DEPARTEMENT VAN OWERHEIDSAKE**

No. 110

1987

No. 110

1987

**PROMULGATION OF ACT OF  
NATIONAL ASSEMBLY**

**AFKONDIGING VAN WET VAN  
NASIONALE VERGADERING**

The following Act, which has been adopted by the National Assembly and signed by the Administrator-General in terms of the South West Africa Legislative and Executive Authority Establishment Proclamation, 1985 (Proclamation R.101 of 1985), is hereby published in terms of section 18 of that Proclamation: —

Die volgende Wet, wat ingevolge die Proklamasie op die Instelling van Wetgewende en Uitvoerende Gesag vir Suidwes-Afrika, 1985 (Proklamasie R.101 van 1985), deur die Nasionale Vergadering aangeneem en deur die Administrateur-generaal onderteken is, word hierby afgekondig ingevolge artikel 18 van daardie Proklamasie: —

No. 8 of 1987: Income Tax Amendment Act, 1987.

No. 8 van 1987: Wysigingswet op Inkomstebelasting, 1987.

**EXPLANATORY NOTE:**

- \_\_\_\_\_ Words underlined with solid line indicate insertions proposed.
- [ ] Words in bold typing in square brackets indicate omissions proposed.

**ACT**

To amend the Income Tax Act, 1981, so as to render taxable the profits under certain single premium policies; to provide for the phasing-in of taxation on fringe benefits; to introduce new rates of tax, income rebates and exemption margins in respect of individuals; to reduce the surcharge applicable to ordinary companies; to extend the scope of the deeming provision regarding the source of interest and dividends; to provide for certain exemptions in respect of interest and dividends; to provide for the exemption from tax on academic achievement grants; to provide for an increase in respect of current contributions to retirement annuity funds and arrear contributions to pensions funds; to provide for a deduction in respect of *bona fide* cash donations to the Academy; to repeal the special provision for exemption from taxation on fringe benefits in respect of public servants and members of the South African Defence Force; to provide for an increase of the amount of normal tax leviable in respect of long-term insurance businesses; to provide that any qualified mining engineer may be appointed as a member of the Special Court; and to provide for incidental matters.

(Afrikaans text signed by the Administrator-General on 15 July 1987)

## WYSIGINGSWET OP INKOMSTEBELASTING, 1987 Wet No. 8, 1987

## VERDUIDELIKENDE NOTA:

- \_\_\_\_\_ Woorde met 'n volstreep daaronder dui aan invoegings voorgestel.
- [ - - ] Woorde in vet druk tussen vierkantige hake dui aan skrappings voorgestel.

## WET

Tot wysiging van die Inkomstebelastingwet, 1981, ten einde die wins op sekere enkelpremiepolisse belasbaar te stel; om voorsiening te maak vir die infasering van belasting op byvoordele; om nuwe belastingskale, inkomstekortings en vrystellingsgrense ten opsigte van individue in werking te stel; om die toeslag wat ten opsigte van gewone maatskappye geld te verlaag; om die omvang van die agtingsbepaling rakende die bron van rentes en dividende uit te brei; om voorsiening te maak vir sekere vrystellings ten opsigte van rente en dividende; om voorsiening te maak vir die vrystelling van belasting op akademiese prestasietoekennings; om voorsiening te maak vir 'n verhoging ten opsigte van lopende bydraes tot uittredingannuïteitsfondse en agterstallige bydraes tot pensioenfondse; om voorsiening te maak vir 'n aftrekking ten opsigte van *bona fide* kontantskenkings aan die Akademie; om die spesiale voorsiening vir vrystelling van belasting op byvoordele ten opsigte van staatsamptenare en Suid-Afrikaanse weermagdele te herroep; om voorsiening te maak vir 'n verhoging van die bedrag van normale belasting hefbaar ten opsigte van langtermyn-versekeringsbesighede; om voorsiening te maak dat enige gekwalifiseerde myningenieur as lid van die Spesiale Hof aangestel kan word; en om voorsiening te maak vir bykomstige aangeleenthede.

(Afrikaanse teks deur die Administrateur-generaal  
onderteken op 15 Julie 1987)

BE IT ENACTED by the National Assembly, as follows:-

Amendment of section 1 of Act 24 of 1981, as amended by section 1 of Proclamation AG. 10 of 1985.

1. Section 1 of the Income Tax Act, 1981 (hereinafter referred to as the principal Act), is hereby amended -

(a) by the insertion in the definition of "gross income" after paragraph (d) of the following paragraph:

"(dA) the amount of any gain received by or accrued to any person under a single premium endowment policy or any policy of a similar nature resulting in a cash payment, other than on death or earlier disability, within ten years after the commencement of such policy, by way of any insurance benefit - including any bonus, loan or share of profits - or by way of compensation in respect of the total or partial cession by the owner of the said policy of his rights in terms of that policy: Provided that this paragraph shall apply only to policies entered into on or after 1 March 1987;"; and

(b) by the addition in the said definition of "gross income" of the following proviso to paragraph (g):

"Provided that with regard to the 1988 year of assessment only one-third, and with regard to the 1989 year of assessment only two-thirds, of the said value as determined by the Secretary in respect of any benefit, shall under this paragraph be included in the gross income of any person: Provided further that the preceding proviso shall not apply to the kind of benefits in cash which, with regard to former years of assessment, were taxed in full as remuneration;".

Amendment of section 6 of Act 24 of 1981, as amended by section 1 of Act 12 of 1982, section 2 of Proclamation AG. 10 of 1985, and section 1 of Act 11 of 1986.

2. Section 6 of the principal Act is hereby amended -

(a) by the substitution for the Schedule to subsection (1) of the following Schedule:

## WYSIGINGSWET OP INKOMSTEBELASTING, 1987 Wet No. 8, 1987

DAAR WORD BEPAAL deur die Nasionale Vergadering, soos volg:-

1. Artikel 1 van die Inkomstebelastingwet, 1981 (hierna die Hoofwet genoem), word hierby gewysig –

Wysiging van artikel 1 van Wet 24 van 1981, soos gewysig deur artikel 1 van proklamasie AG. 10 van 1985.

(a) deur in die omskrywing van “bruto inkomste” die volgende paragraaf na paragraaf (d) in te voeg:

“(dA) die bedrag van ’n wins ontvang deur of toegeval aan enige persoon ingevolge ’n enkelpremie-uitkeerpolis of enige soortgelyke polis wat ’n kontantbetaling tot gevolg het, anders dan by dood of vroeëre ongeskiktheid, binne tien jaar na sy aanvang by wyse van ’n versekeringsvoordeel – met inbegrip van enige bonus, lening of winsdeel –, of by wyse van vergoeding ten opsigte van ’n algehele of gedeeltelike sessie deur die eienaar van bedoelde polis van sy regte ingevolge daardie polis: Met dien verstande dat hierdie paragraaf slegs van toepassing is op polisse wat op of na 1 Maart 1987 uitgeneem is;”;

(b) deur in bedoelde omskrywing van “bruto inkomste” die volgende voorbehoudsbepaling by paragraaf (g) te voeg:

“Met dien verstande dat ten aansien van die 1988 jaar van aanslag slegs een-derde, en ten aansien van die 1989 jaar van aanslag slegs twee-derdes, van bedoelde waarde soos deur die Sekretaris ten opsigte van enige voordeel bepaal, ingevolge hierdie paragraaf by ’n persoon se bruto inkomste ingereken word: Met dien verstande voorts dat die voorafgaande voorbehoudsbepaling nie van toepassing is nie op dié soort voordele in kontant wat ten aansien van vroeëre jare van aanslag ten volle as vergoeding belas is;”.

2. Artikel 6 van die Hoofwet word hierby gewysig –

Wysiging van artikel 6 van Wet 24 van 1981, soos gewysig deur artikel 1 van Wet 12 van 1982, artikel 2 van Proklamasie AG. 10 van 1985, artikel 1 van Wet 13 van 1985 en artikel 1 van Wet 11 van 1986.

(a) deur die Bylae by subartikel (1) deur die volgende Bylae te vervang:

## "SCHEDULE

| Taxable amount                                     | Rates of tax  |
|--|---|
| Where the taxable amount –                         |   |
| <b>[does not exceed R4 000</b>                     | <b>10 per cent of each R1 of the taxable amount;</b>                                      |
| <b>exceeds R4 000 but does not exceed R6 000</b>   | <b>R400 plus 13 per cent of the amount by which the taxable amount exceeds R4 000;</b>    |
| <b>exceeds R6 000 but does not exceed R8 000</b>   | <b>R660 plus 15 per cent of the amount by which the taxable amount exceeds R6 000;</b>    |
| <b>exceeds R8 000 but does not exceed R10 000</b>  | <b>R960 plus 17 per cent of the amount by which the taxable amount exceeds R8 000;</b>    |
| <b>exceeds R10 000 but does not exceed R12 000</b> | <b>R1 300 plus 19 per cent of the amount by which the taxable amount exceeds R10 000;</b> |
| <b>exceeds R12 000 but does not exceed R14 000</b> | <b>R1 680 plus 21 per cent of the amount by which the taxable amount exceeds R12 000;</b> |
| <b>exceeds R14 000 but does not exceed R16 000</b> | <b>R2 100 plus 23 per cent of the amount by which the taxable amount exceeds R14 000;</b> |
| <b>exceeds R16 000 but does not exceed R18 000</b> | <b>R2 560 plus 25 per cent of the amount by which the taxable amount exceeds R16 000;</b> |
| <b>exceeds R18 000 but does not exceed R20 000</b> | <b>R3 060 plus 27 per cent of the amount by which the taxable amount exceeds R18 000;</b> |

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## "BYLAE

| Belasbare bedrag                                 | Skale van belasting  |
|--|--|
| Waar die belasbare bedrag –                      |  |
| <b>[R4 000 nie te bowe gaan nie</b>              | <b>10 persent van elke R1 van die belasbare bedrag;</b>                                    |
| <b>R4 000 te bowe gaan maar nie R6 000 nie</b>   | <b>R400 plus 13 persent van die bedrag waarmee die belasbare bedrag R4 000 oorskry;</b>    |
| <b>R6 000 te bowe gaan maar nie R8 000 nie</b>   | <b>R660 plus 15 persent van die bedrag waarmee die belasbare bedrag R6 000 oorskry;</b>    |
| <b>R8 000 te bowe gaan maar nie R10 000 nie</b>  | <b>R960 plus 17 persent van die bedrag waarmee die belasbare bedrag R8 000 oorskry;</b>    |
| <b>R10 000 te bowe gaan maar nie R12 000 nie</b> | <b>R1 300 plus 19 persent van die bedrag waarmee die belasbare bedrag R10 000 oorskry;</b> |
| <b>R12 000 te bowe gaan maar nie R14 000 nie</b> | <b>R1 680 plus 21 persent van die bedrag waarmee die belasbare bedrag R12 000 oorskry;</b> |
| <b>R14 000 te bowe gaan maar nie R16 000 nie</b> | <b>R2 100 plus 23 persent van die bedrag waarmee die belasbare bedrag R14 000 oorskry;</b> |
| <b>R16 000 te bowe gaan maar nie R18 000 nie</b> | <b>R2 560 plus 25 persent van die bedrag waarmee die belasbare bedrag R16 000 oorskry;</b> |
| <b>R18 000 te bowe gaan maar nie R20 000 nie</b> | <b>R3 060 plus 27 persent van die bedrag waarmee die belasbare bedrag R18 000 oorskry;</b> |

|   |   |
|---|---|
| exceeds R20 000 but does not exceed R22 000 | R3 600 plus 29 per cent of the amount by which the taxable amount exceeds R20 000;  |
| exceeds R22 000 but does not exceed R24 000 | R4 180 plus 31 per cent of the amount by which the taxable amount exceeds R22 000;  |
| exceeds R24 000 but does not exceed R26 000 | R4 800 plus 33 per cent of the amount by which the taxable amount exceeds R24 000;  |
| exceeds R26 000 but does not exceed R28 000 | R5 460 plus 35 per cent of the amount by which the taxable amount exceeds R26 000;  |
| exceeds R28 000 but does not exceed R30 000 | R6 160 plus 37 per cent of the amount by which the taxable amount exceeds R28 000;  |
| exceeds R30 000                             | R6 900 plus 39 per cent of the amount by which the taxable amount exceeds R30 000.] |
| does not exceed R5 000                      | 12 per cent of each R1 of the taxable amount;                                       |
| exceeds R5 000 but does not exceed R6 000   | R600 plus 13 per cent of the amount by which the taxable amount exceeds R5 000;     |
| exceeds R6 000 but does not exceed R7 000   | R730 plus 14 per cent of the amount by which the taxable amount exceeds R6 000;     |
| exceeds R7 000 but does not exceed R8 000   | R870 plus 15 per cent of the amount by which the taxable amount exceeds R7 000;     |

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|  |   |
|--|---|
| R20 000 te bowe gaan<br>maar nie R22 000 nie | R3 600 plus 29 persent van<br>die bedrag waarmee die<br>belasbare bedrag R20 000<br>oorskry;  |
| R22 000 te bowe gaan<br>maar nie R24 000 nie | R4 180 plus 31 persent van<br>die bedrag waarmee die<br>belasbare bedrag R22 000<br>oorskry;  |
| R24 000 te bowe gaan<br>maar nie R26 000 nie | R4 800 plus 33 persent van<br>die bedrag waarmee die<br>belasbare bedrag R24 000<br>oorskry;  |
| R26 000 te bowe gaan<br>maar nie R28 000 nie | R5 460 plus 35 persent van<br>die bedrag waarmee die<br>belasbare bedrag R26 000<br>oorskry;  |
| R28 000 te bowe gaan<br>maar nie R30 000 nie | R6 160 plus 37 persent van<br>die bedrag waarmee die<br>belasbare bedrag R28 000<br>oorskry;  |
| R30 000 te bowe gaan                         | R6 900 plus 39 persent van<br>die bedrag waarmee die<br>belasbare bedrag R30 000<br>oorskry.] |
| R5 000 nie te bowe gaan<br>nie               | 12 persent van elke R1 van<br>die belasbare bedrag;   |
| R5 000 te bowe gaan<br>maar nie R6 000 nie   | R600 plus 13 persent van<br>die bedrag waarmee die<br>belasbare bedrag R5 000<br>oorskry;     |
| R6 000 te bowe gaan<br>maar nie R7 000 nie   | R730 plus 14 persent van<br>die bedrag waarmee die<br>belasbare bedrag R6 000<br>oorskry;     |
| R7 000 te bowe gaan<br>maar nie R8 000 nie   | R870 plus 15 persent van<br>die bedrag waarmee die<br>belasbare bedrag R7 000<br>oorskry;     |

## INCOME TAX AMENDMENT ACT, 1987

|   |  |
|---|--|
| exceeds R8 000 but does not exceed R9 000   | R1 020 plus 16 per cent of the amount by which the taxable amount exceeds R8 000;  |
| exceeds R9 000 but does not exceed R10 000  | R1 180 plus 17 per cent of the amount by which the taxable amount exceeds R9 000;  |
| exceeds R10 000 but does not exceed R11 000 | R1 350 plus 18 per cent of the amount by which the taxable amount exceeds R10 000; |
| exceeds R11 000 but does not exceed R12 000 | R1 530 plus 19 per cent of the amount by which the taxable amount exceeds R11 000; |
| exceeds R12 000 but does not exceed R14 000 | R1 720 plus 20 per cent of the amount by which the taxable amount exceeds R12 000; |
| exceeds R14 000 but does not exceed R16 000 | R2 120 plus 22 per cent of the amount by which the taxable amount exceeds R14 000; |
| exceeds R16 000 but does not exceed R18 000 | R2 560 plus 24 per cent of the amount by which the taxable amount exceeds R16 000; |
| exceeds R18 000 but does not exceed R20 000 | R3 040 plus 26 per cent of the amount by which the taxable amount exceeds R18 000; |
| exceeds R20 000 but does not exceed R22 000 | R3 560 plus 28 per cent of the amount by which the taxable amount exceeds R20 000; |
| exceeds R22 000 but does not exceed R24 000 | R4 120 plus 30 per cent of the amount by which the taxable amount exceeds R22 000; |

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|  |  |
|--|--|
| R8 000 te bowe gaan<br>maar nie R9 000 nie   | R1 020 plus 16 persent van<br>die bedrag waarmee die<br>belasbare bedrag R8 000<br>oorskry;  |
| R9 000 te bowe gaan<br>maar nie R10 000 nie  | R1 180 plus 17 persent van<br>die bedrag waarmee die<br>belasbare bedrag R9 000<br>oorskry;  |
| R10 000 te bowe gaan<br>maar nie R11 000 nie | R1 350 plus 18 persent van<br>die bedrag waarmee die<br>belasbare bedrag R10 000<br>oorskry; |
| R11 000 te bowe gaan<br>maar nie R12 000 nie | R1 530 plus 19 persent van<br>die bedrag waarmee die<br>belasbare bedrag R11 000<br>oorskry; |
| R12 000 te bowe gaan<br>maar nie R14 000 nie | R1 720 plus 20 persent van<br>die bedrag waarmee die<br>belasbare bedrag R12 000<br>oorskry; |
| R14 000 te bowe gaan<br>maar nie R16 000 nie | R2 120 plus 22 persent van<br>die bedrag waarmee die<br>belasbare bedrag R14 000<br>oorskry; |
| R16 000 te bowe gaan<br>maar nie R18 000 nie | R2 560 plus 24 persent van<br>die bedrag waarmee die<br>belasbare bedrag R16 000<br>oorskry; |
| R18 000 te bowe gaan<br>maar nie R20 000 nie | R3 040 plus 26 persent van<br>die bedrag waarmee die<br>belasbare bedrag R18 000<br>oorskry; |
| R20 000 te bowe gaan<br>maar nie R22 000 nie | R3 560 plus 28 persent van<br>die bedrag waarmee die<br>belasbare bedrag R20 000<br>oorskry; |
| R22 000 te bowe gaan<br>maar nie R24 000 nie | R4 120 plus 30 persent van<br>die bedrag waarmee die<br>belasbare bedrag R22 000<br>oorskry; |

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## INCOME TAX AMENDMENT ACT, 1987

|   |   |
|---|---|
| exceeds R24 000 but does not exceed R26 000 | R4 720 plus 32 per cent of the amount by which the taxable amount exceeds R24 000;                |
| exceeds R26 000 but does not exceed R28 000 | R5 360 plus 34 per cent of the amount by which the taxable amount exceeds R26 000;                |
| exceeds R28 000 but does not exceed R30 000 | R6 040 plus 35 per cent of the amount by which the taxable amount exceeds R28 000;                |
| exceeds R30 000 but does not exceed R32 000 | R6 740 plus 36 per cent of the amount by which the taxable amount exceeds R30 000;                |
| exceeds R32 000 but does not exceed R34 000 | R7 460 plus 37 per cent of the amount by which the taxable amount exceeds R32 000;                |
| exceeds R34 000 but does not exceed R36 000 | R8 200 plus 38 per cent of the amount by which the taxable amount exceeds R34 000;                |
| exceeds R36 000 but does not exceed R38 000 | R8 960 plus 39 per cent of the amount by which the taxable amount exceeds R36 000;                |
| exceeds R38 000 but does not exceed R40 000 | R9 740 plus 40 per cent of the amount by which the taxable amount exceeds R38 000;                |
| exceeds R40 000                             | R10 540 plus 42 per cent of the amount by which the taxable amount exceeds <u>R40 000.</u> "; and |

- (b) by the substitution in the proviso to paragraph (a) of subsection (2) for the expression "ten per cent" of the expression "five per cent".

**WYSIGINGSWET OP INKOMSTEBELASTING, 1987** Wet No. 8, 1987

|  |  |
|--|--|
| R24 000 te bowe gaan<br>maar nie R26 000 nie | R4 720 plus 32 persent van<br>die bedrag waarmee die<br>belasbare bedrag R24 000<br>oorskry;               |
| R26 000 te bowe gaan<br>maar nie R28 000 nie | R5 360 plus 34 persent van<br>die bedrag waarmee die<br>belasbare bedrag R26 000<br>oorskry;               |
| R28 000 te bowe gaan<br>maar nie R30 000 nie | R6 040 plus 35 persent van<br>die bedrag waarmee die<br>belasbare bedrag R28 000<br>oorskry;               |
| R30 000 te bowe gaan<br>maar nie R32 000 nie | R6 740 plus 36 persent van<br>die bedrag waarmee die<br>belasbare bedrag R30 000<br>oorskry;               |
| R32 000 te bowe gaan<br>maar nie R34 000 nie | R7 460 plus 37 persent van<br>die bedrag waarmee die<br>belasbare bedrag R32 000<br>oorskry;               |
| R34 000 te bowe gaan<br>maar nie R36 000 nie | R8 200 plus 38 persent van<br>die bedrag waarmee die<br>belasbare bedrag R34 000<br>oorskry;               |
| R36 000 te bowe gaan<br>maar nie R38 000 nie | R8 960 plus 39 persent van<br>die bedrag waarmee die<br>belasbare bedrag R36 000<br>oorskry;               |
| R38 000 te bowe gaan<br>maar nie R40 000 nie | R9 740 plus 40 persent van<br>die bedrag waarmee die<br>belasbare bedrag R38 000<br>oorskry;               |
| R40 000 te bowe gaan                         | R10 540 plus 42 persent<br>van die bedrag waarmee<br>die belasbare bedrag<br><u>R40 000 oorskry.</u> ”; en |

- (b) deur in die voorbehoudsbepaling by paragraaf (a) van subartikel (2) die uitdrukking “tien persent” deur die uitdrukking “vyf persent” te vervang.

## Act No. 8, 1987

## INCOME TAX AMENDMENT ACT, 1987

Amendment of section 7 of Act 24 of 1981, as amended by section 3 of Proclamation AG. 10 of 1985.

## 3. Section 7 of the principal Act is hereby amended -

- (a) by the substitution in paragraph (a) of subsection (2) for the expression "R4 400" of the expression "R6 000";
- (b) by the substitution in paragraph (b) of the said subsection (2) for the expression "R2 200" of the expression "R4 000";
- (c) by the addition to the said subsection (2) of the following paragraph:

"(c) an additional amount of R500, if such person was, or would have been, had he lived to that date, over the age of 65 years on the last day of the year of assessment;";

- (d) by the substitution in subsection (3) for the words preceding paragraph (a) of the following words:

" Subject to the provisions of subsection (5), there shall, for the purposes of this section in respect of any taxpayer who is a natural person, be allowed by way of income rebate [the] an amount of [R2 200] R1 500 for one child, R2 500 for two children and R3 000 for more than two children in respect of his children or step-children who were alive during any part of the year of assessment, if [at least one of them] such a child or every one of such children -"; and

- (e) by the deletion in paragraph (b) of subsection (3) of the first sentence up to and including the words "preceding paragraph".

Amendment of section 15 of Act 24 of 1981, as amended by section 4 of Proclamation AG. 10 of 1985.

## 4. Section 15 of the principal Act is hereby amended -

- (a) by the substitution for subsections (2) and (3) of the following subsections:

" (2) Any interest which has been received by or has accrued to any domestic company or any person [(other than a company)] who is ordinarily resident in the territory in respect of any loan to or deposit in any building society registered [under the Building Societies Act, 1965 (Act 24 of 1965), of] in the Republic of South Africa, or any dividend or share of profits distributed by any such society

## WYSIGINGSWET OP INKOMSTEBELASTING, 1987 Wet No. 8, 1987

## 3. Artikel 7 van die Hoofwet word hierby gewysig –

Wysiging van artikel 7 van Wet 24 van 1981, soos gewysig deur artikel 3 van Proklamasie AG. 10 van 1985.

(a) deur in paragraaf (a) van subartikel (2) die uitdrukking “R4 400” deur die uitdrukking “R6 000” te vervang;

(b) deur in paragraaf (b) van bedoelde subartikel (2) die uitdrukking “R2 200” deur die uitdrukking “R4 000” te vervang;

(c) deur die volgende paragraaf by subartikel (2) te voeg:

“(c) ’n bykomende bedrag van R500, indien sodanige persoon op die laaste dag van die jaar van aanslag bo die ouderdom van 65 jaar was of sou gewees het as hy die lewe tot daardie dag behou het;”;

(d) deur in subartikel (3) die woorde wat paragraaf (a) voorafgaan, deur die volgende woorde te vervang:

“ Behoudens die bepalings van subartikel (5) word daar vir die doeleindes van hierdie artikel ten opsigte van ’n belastingpligtige wat ’n natuurlike persoon is [**die**] ’n bedrag van [**R2 200**] R1 500 vir een kind, R2 500 vir twee kinders en R3 000 vir meer as twee kinders by wyse van inkomstekorting toegelaat ten opsigte van sy kinders of stiefkinders wat gedurende enige gedeelte van die jaar van aanslag in lewe was as [**minstens een van hulle**] so ’n kind of elk van sulke kinders –”; en

(e) deur in paragraaf (b) van subartikel (3) die eerste sin tot by, en met insluiting van, die woorde “bedoel word nie” te skrap.

## 4. Artikel 15 van die Hoofwet word hierby gewysig –

Wysiging van artikel 15 van Wet 24 van 1981, soos gewysig deur artikel 4 van Proklamasie AG. 10 van 1985.

(a) deur subartikels (2) en (3) deur die volgende subartikels te vervang:

“ (2) Rente wat ontvang is deur of toegeval het aan ’n binnelandse maatskappy of ’n persoon [(behalwe ’n maatskappy)] wat gewoonlik in die gebied woonagtig is ten opsigte van ’n lening aan of deposito in ’n bouvereniging geregistreer [**ingevolge die Bouverenigingswet, 1965 (Wet 24 van 1965), van]** in die Republiek van Suid-Afrika, of ’n dividend of deel van winste deur so ’n vereniging uitgekeer wat

which has been received by or has accrued to any such domestic company or person, shall be deemed to have been derived from a source within the territory, wheresoever such loan or deposit is made or held or any share to which such dividend or share of profits relates is subscribed for or held or such interest, dividend or share of profits is payable.

(3) Any interest which has been received by or has accrued to any domestic company or any person **[(other than a company)]** who is ordinarily resident in the territory in respect of any loan to or deposit in any banking institution registered under the Banks Act, 1965 (Act 23 of 1965), of the Republic of South Africa, or any similar institution whether or not registered, managed or controlled in the territory or the Republic of South Africa, shall be deemed to have been derived from a source within the territory, wheresoever such loan or deposit is made or held or such interest is payable.”;

- (b) by the deletion in subsection (5) of the words “to such person”; and
- (c) by the addition of the following subsection:

“ (7) Any amount referred to in paragraph (dA) of the definition of “gross income” in section 1 shall be deemed to have been received or accrued from a source within the territory, irrespective of where payment of such amount is made and irrespective of where the funds from which payment is made are situate.”.

Amendment of section 16 of Act 24 of 1981, as amended by section 5 of Proclamation AG. 10 of 1985.

5. Section 16 of the principal Act is hereby amended –

- (a) by the addition of the following subparagraph to paragraph (m) of subsection (1):

“ (iv) in the case of a taxpayer who is a natural person, R500 of the aggregate of any interest, which is not otherwise exempt from tax received by or accrued to him from a financial institution in the territory;”;

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deur so 'n binnelandse maatskappy of persoon ontvang is of aan hom toegeval het, word geag uit 'n bron in die gebied verkry te gewees het, ongeag waar so 'n lening of deposito gemaak of gehou word of vir 'n aandeel waarop bedoelde dividend of deel van winste betrekking het, ingeskryf word of sodanige aandeel gehou word of bedoelde rente, dividend of deel van winste betaalbaar is.

(3) Rente wat ten opsigte van 'n lening aan of deposito in 'n bankinstelling geregistreer ingevolge die Bankwet, 1965 (Wet 23 van 1965), van die Republiek van Suid-Afrika, of 'n dergelike instelling, ongeag of dit in die gebied of die Republiek van Suid-Afrika, geregistreer is of aldaar bestuur of beheer word al dan nie, ontvang is deur of toegeval het aan 'n binnelandse maatskappy of 'n persoon [(behalwe 'n maatskappy)] wat gewoonlik in die gebied woonagtig is, word geag uit 'n bron in die gebied verkry te gewees het, ongeag waar so 'n lening of deposito gemaak of gehou word of bedoelde rente betaalbaar is.”;

(b) deur in subartikel (5) die uitdrukking “aan sodanige persoon” te skrap; en

(c) deur die volgende subartikel by te voeg:

“(7) 'n Bedrag bedoel in paragraaf (dA) van die omskrywing van “bruto inkomste” in artikel 1 word geag ontvang te gewees het of toe te geval het uit 'n bron in die gebied, ongeag waar betaling van daardie bedrag geskied en ongeag waar die fondse waaruit betaling geskied hul bevind.”.

5. Artikel 16 van die Hoofwet word hierby gewysig –

Wysiging van artikel 16 van Wet 24 van 1981, soos gewysig deur artikel 5 van Proklamasie AG. 10 van 1985.

(a) deur in subartikel (1) die volgende subparagraaf by paragraaf (m) te voeg:

“(iv) in die geval van 'n belastingpligtige wat 'n natuurlike persoon is, R500 in totaal van enige rente, wat nie andersins van belasting vrygestel is nie, deur hom ontvang of aan hom toegeval vanaf 'n finansiële instelling binne die gebied;”;

- (b) by the substitution for paragraph (r) of subsection (1) of the following paragraph:

“(r) interest received by or accrued to any domestic company or any person **[(other than a company)]** who is ordinarily resident in the territory in respect of any loan to or deposit in any banking institution registered under the Banks Act, 1965 (Act 23 of 1965), of the Republic of South Africa, or any similar institution, if it is proved to the satisfaction of the Secretary –

- (i) (aa) that such loan or deposit has been made through and retained in a branch of such institution outside the territory for the purposes of any business carried on by such company or person outside the territory; and

- (bb) that the said interest is subject to income tax under the laws of the country within which such loan or deposit is retained; or

- (ii) that such loan or deposit has been made through and retained in a branch of such institution outside the territory, and that the full capital for such loan or deposit was obtained from a source outside the territory;”;

- (c) by the substitution for paragraph (s) of subsection (1) of the following paragraph:

“(s) interest received by or accrued to any domestic company or any person **[(other than a company)]** who is ordinarily resident in the territory, in respect of any loan to or deposit in any building society registered **[under the Building Societies Act, 1965 (Act 24 of 1965), of]** in the Republic of South Africa, or any dividend or share of profits distributed by any such society which has been received by or has accrued to any such person, if it is proved to the satisfaction of the Secretary –

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- (b) deur paragraaf (r) van subartikel (1) deur die volgende paragraaf te vervang:

“(r) rente ontvang deur of toegeval aan ’n binne-landse maatskappy of ’n persoon [(**behalwe ’n maatskappy**)] wat gewoonlik in die gebied woonagtig is ten opsigte van ’n lening aan of deposito in ’n bankinstelling geregistreer ingevolge die Bankwet, 1965 (Wet 23 van 1965), van die Republiek van Suid-Afrika, of ’n dergelike instelling, indien daar tot oortuiging van die Sekretaris bewys word -

- (i) (aa) dat sodanige lening of deposito deur ’n tak van bedoelde instelling buite die gebied gemaak is en by daardie tak gehou is vir doeleindes van ’n besigheid deur bedoelde maatskappy of persoon buite die gebied gedryf; en

(bb) dat sodanige rente ingevolge die wette van die land waarin sodanige deposito of lening gehou word aan inkomstebelasting onderheilig is; of

- (ii) dat sodanige lening of deposito deur ’n tak van bedoelde instelling buite die gebied gemaak is en by daardie tak gehou is, en dat die volle kapitaal vir sodanige lening of deposito van ’n bron buite die gebied verkry is;”;

- (c) deur paragraaf (s) van subartikel (1) deur die volgende paragraaf te vervang:

“(s) rente ontvang deur of toegeval aan ’n binne-landse maatskappy of ’n persoon [(**behalwe ’n maatskappy**)] wat gewoonlik in die gebied woonagtig is ten opsigte van ’n lening aan of deposito in ’n bouvereniging geregistreer [**in-gevolge die Bouverenigingswet, 1965 (Wet 24 van 1965), van] in** die Republiek van Suid-Afrika, of ’n dividend of deel van winste deur so ’n vereniging uitgekeer wat deur so ’n persoon ontvang is of aan hom toegeval het, indien daar tot oortuiging van die Sekretaris bewys word -

- (i) that such loan or deposit has been made through any branch of the said building society outside the territory, or that the share to which such dividend or share of profits relates has been subscribed for at any branch of the said building society outside the territory;
- (ii) that such loan, deposit or share has been retained in the said branch of the said building society outside the territory; and
- (iii) that the full capital for such loan, deposit or share was obtained from a source outside the territory;”;

(d) by the substitution for paragraph (v) of subsection (1) of the following paragraph:

“(v) any amount received **[by]** or accrued **[to any member of the South African Defence Force whether in cash or otherwise, as an allowance for any uniform, ration or lodging]** which is proved to the satisfaction of the Secretary to be a single grant on obtaining a higher or additional academic qualification at any acknowledged educational institution;”;

(e) by the addition of the following paragraph to subsection (1):

“(z) so much of any amount obtained by a wife independently of her husband as does not exceed R1 000 in any year of assessment.”;

(f) by the substitution in paragraph (a) of subsection (4) for the expression “four thousand rand” wherever it may occur of the expression “six thousand rand”; and

(g) by the substitution in paragraph (b) of the said subsection (4) for the expression “three thousand rand” wherever it may occur of the expression “four thousand rand”.

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- (i) dat sodanige lening of deposito deur 'n tak van bedoelde bouvereniging buite die gebied gemaak is, of dat vir die aandeel waarop sodanige dividend of deel van winste betrekking het by 'n tak van bedoelde bouvereniging buite die gebied ingeskryf is;
  - (ii) dat sodanige lening, deposito of aandeel in bedoelde tak van bedoelde bouvereniging buite die gebied gehou is; en
  - (iii) dat die volle kapitaal vir sodanige lening, deposito of aandeel van 'n bron buite die gebied verkry is;”;
- (d) deur paragraaf (v) van subartikel (1) deur die volgende paragraaf te vervang:
- “(v) 'n bedrag [**hetsy in kontant of andersins ontvang deur of toegeval aan 'n lid van die Suid-Afrikaanse Weermag as toelae vir 'n uniform of rantsoen of vir huisvesting**] ontvang of toegeval wat tot oortuiging van die Sekretaris bewys word 'n eenmalige toekenning te wees by die verwerwing van 'n hoër of bykomende akademiese kwalifikasie by 'n erkende opvoedkundige inrigting;”;
- (e) deur die volgende paragraaf by subartikel (1) te voeg:
- “(z) soveel van enige bedrag wat deur 'n vrou onafhanklik van haar man verkry word as wat nie meer beloop nie as R1 000 in 'n jaar van aanslag.”;
- (f) deur in paragraaf (a) van subartikel (4) die uitdrukking “vierduisend rand” oral waar dit voorkom deur die uitdrukking “sesduisend rand” te vervang; en
- (g) deur in paragraaf (b) van bedoelde subartikel (4) die uitdrukking “drieduisend rand” oral waar dit voorkom deur die uitdrukking “vierduisend rand” te vervang.

## Act No. 8, 1987

## INCOME TAX AMENDMENT ACT, 1987

Amendment of section 17 of Act 24 of 1981, as amended by section 2 of Act 12 of 1982 and section 6 of Proclamation AG. 10 of 1985.

## 6. Section 17 of the principal Act is hereby amended –

- (a) by the substitution in the proviso to subparagraph (ii) of paragraph (n) for the expression “one thousand rand” of the expression “one thousand five hundred rand”;
- (b) by the substitution in paragraph (q) for the expression “four thousand rand” wherever it may occur of the expression “five thousand rand”; and
- (c) by the addition to paragraph (s) of the following subparagraph, the existing paragraph becoming subparagraph (i):

“(ii) any amount in respect of a bona fide cash donation made during the year of assessment to the Academy for the advancement of education and training as does not exceed R500 or two per cent of the taxable income of a taxpayer, whichever is the greater: Provided that –

- (aa) no deduction in terms of this subparagraph shall give rise to or increase any loss;
- (bb) no individual shall be nominated as beneficiary;
- (cc) a certificate containing particulars as determined by the Secretary shall be issued by the Academy in respect of any such donation;”.

Amendment of section 20 of Act 24 of 1981, as amended by section 7 of Proclamation AG. 10 of 1985.

## 7. Section 20 of the principal Act is hereby amended –

- (a) by the insertion after subsection (1) of the following subsection:

“(1A) There shall for the purposes of determining the taxable income of any taxpayer who is a natural person be allowed as a deduction from his income in the form of dividends earned from a financial institution in the territory, an amount of R500: Provided that the amount so allowed as a deduction shall not exceed the amount by which the income in the form of dividends derived by any person during the year of assessment under

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6. Artikel 17 van die Hoofwet word hierby gewysig –

Wysiging van artikel 17 van Wet 24 van 1981, soos gewysig deur artikel 2 van Wet 12 van 1982 en artikel 6 van Proklamasie AG. 10 van 1985.

- (a) deur in die voorbehoudsbepaling by subparagraaf (ii) van paragraaf (n) die uitdrukking “eenduisend rand” deur die uitdrukking “eenduisend vyfhonderd rand” te vervang;
- (b) deur in paragraaf (q) die uitdrukking “vierduisend rand” oral waar dit voorkom deur die uitdrukking “vyfduisend rand” te vervang; en
- (c) deur die volgende subparagraaf by paragraaf (s) te voeg, terwyl die bestaande paragraaf subparagraaf (i) word:

“(ii) ’n bedrag gedurende die jaar van aanslag ten opsigte van ’n *bona fide*-kontantskenking aan die Akademie gemaak ter bevordering van onderwys en opleiding as wat nie R500 of twee persent van die belasbare inkomste van ’n belastingpligtige, wat ook al die grootste is, te bowe gaan nie: Met dien verstande dat -

- (aa) geen aftrekking ingevolge hierdie subparagraaf ’n verlies veroorsaak of vergroot nie;
- (bb) geen individu as begunstigde benoem word nie;
- (cc) ’n sertifikaat met besonderhede soos deur die Sekretaris bepaal ten opsigte van enige sodanige skenking deur die Akademie uitgereik word;”.

7. Artikel 20 van die Hoofwet word hierby gewysig –

Wysiging van artikel 20 van Wet 24 van 1981, soos gewysig deur artikel 7 van Proklamasie AG. 10 van 1985.

- (a) deur die volgende subartikel na subartikel (1) in te voeg:

“(1A) Vir die doeleindes van die vasstelling van die belasbare inkomste van ’n belastingpligtige wat ’n natuurlike persoon is, word as ’n aftrekking van sy inkomste wat in die vorm van dividende by ’n finansiële instelling in die gebied verkry is, ’n bedrag van R500 toegelaat: Met dien verstande dat die bedrag aldus as ’n aftrekking toegelaat nie die bedrag te bowe gaan nie waarmee die inkomste in die vorm van dividende deur ’n persoon ge-

charge and in respect of which a deduction is allowable under subsection (3), exceeds the amount allowed as a deduction from such income under section 17(a) and (b), as applied by subsection (1) of this section.”; and

(b) by the substitution for subsection (2) of the following subsection:

“(2) In respect of expenditure and losses not of a capital nature incurred by any person in the production of his income from dividends, the **[amount] amounts** to be deducted under section 17(a) and (b), as applied by subsection (1) of this section, and the amount to be deducted under subsection (1A) of this section, shall in total be an amount which bears to the sum of expenditure [and], losses and the amount which but for this subsection would have been allowed to be deducted, the same ratio as the amount of such dividends as calculated after allowing the deduction under subsection (3) bears to the amount of such dividends as calculated before allowing such deduction.”.

Repeal of section 28 of Act 24 of 1981.

8. Section 28 of the principal Act is hereby repealed.

Amendment of section 32 of Act 24 of 1981.

9. Section 32 of the principal Act is hereby amended by the substitution in subsection (1) for the expression “thirty per cent” of the expression “forty per cent”.

Amendment of section 73 of Act 24 of 1981.

10. Section 73 of the principal Act is hereby amended by the substitution for the proviso to subsection (2) of the following proviso:

“Provided that in all cases relating to the business of mining, if the appellant so prefers, such third member shall be a qualified mining engineer [registered in terms of the Professional Engineers’ Act, 1968 (Act 81 of 1968)].”.

Amendment of Schedule 2 to Act 24 of 1981, as amended by section 16 of Proclamation AG. 10 of 1985.

11. Schedule 2 to the Act is hereby amended –

(a) by the substitution for paragraph (v) of the definition of ‘remuneration’ in item 1 of the following paragraph:

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durende die onderhawige jaar van aanslag verkry en ten opsigte waarvan 'n aftrekking ingevolge subartikel (3) toelaatbaar is, die bedrag oorskry wat as 'n aftrekking van bedoelde inkomste toegelaat is ingevolge artikel 17(a) en (b), soos deur subartikel (1) van hierdie artikel toegepas.”; en

(b) deur subartikel (2) deur die volgende subartikel te vervang:

“(2) Ten opsigte van onkoste en verliese van 'n nie-kapitale aard deur 'n persoon in verband met die voortbrenging van sy inkomste uit dividende aangegaan, **[is] moet die [bedrag] bedrae** wat afgetrek moet word ingevolge artikel 17(a) en (b), soos by subartikel (1) van hierdie artikel toegepas, **en die bedrag wat afgetrek moet word ingevolge subartikel (1A) van hierdie artikel, [’n bedrag] in totaal ’n som wees** wat tot die onkoste, **[en] verliese en die bedrag** wat by ontstentenis van hierdie subartikel toegelaat sou gewees het om afgetrek te word, in dieselfde verhouding staan as wat die bedrag van dié dividende, soos bereken nadat die aftrekking ingevolge subartikel (3) toegelaat is, staan tot die bedrag van dié dividende soos bereken voordat bedoelde aftrekking toegelaat is.”.

8. Artikel 28 van die Hoofwet word hierby herroep.

Herroeping van artikel 28 van Wet 24 van 1981.

9. Artikel 32 van die Hoofwet word hierby gewysig deur in subartikel (1) die uitdrukking “dertig persent” deur die uitdrukking “veertig persent” te vervang.

Wysiging van artikel 32 van Wet 24 van 1981.

10. Artikel 73 van die Hoofwet word hierby gewysig deur die voorbehoudsbepaling by subartikel (2) deur die volgende voorbehoudsbepaling te vervang:

Wysiging van artikel 73 van Wet 24 van 1981.

“Met dien verstande dat in alle gevalle wat op die mynbou betrekking het en die appellant dit verkies, so 'n derde lid 'n gekwalifiseerde myningenieur moet wees **[wat ingevolge die Wet op Professionele Ingenieurs, 1968 (Wet 81 van 1968) geregistreer is].**”.

11. Bylae 2 by die Wet word hierby gewysig –

Wysiging van Bylae 2 by Wet 24 van 1981, soos gewysig deur artikel 16 van Proklamasie AG. 10 van 1985.

(a) deur paragraaf (v) van die omskrywing van ‘besoldiging’ in item 1 deur die volgende paragraaf te vervang:

“(v) any amount paid or payable to any employee wholly in reimbursement of expenditure actually incurred by such employee in the course of his employment **[including such payments made to meet expenditure as are referred to in section 28 of this Act];**” and

(b) by the deletion of paragraph (vi) of the said definition of “remuneration” in item 1.

Short title and commencement.

12. This Act shall be called the Income Tax Amendment Act, 1987, and the amendments effected to the principal Act by this Act shall come into operation, or shall be deemed to have come into operation, save in so far as the context indicates otherwise, at the beginning of the year of assessment ending on or after 1 January 1988.

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“(v) ’n bedrag betaal of betaalbaar aan ’n werknemer geheel en al ter bestryding van onkoste werklik deur dié werknemer in die loop van sy diens aangegaan [**asook betalings ter bestryding van onkoste in artikel 28 van hierdie Wet bedoel**] nie;” en

(b) deur paragraaf (vi) van genoemde omskrywing van “besoldiging” in item 1 te skrap.

12. Hierdie Wet heet die Wysigingswet op Inkomstebelasting, 1987, en die wysigings deur hierdie Wet in die Hoofwet aangebring tree in werking, of word geag in werking te getree het, behalwe vir sover uit die samehang anders blyk, aan die begin van die jaar van aanslag wat op of na 1 Januarie 1988 eindig.

Kort titel en inwerking-treding