



GOVERNMENT GAZETTE
OF THE
REPUBLIC OF NAMIBIA

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Government Notice

OFFICE OF THE PRIME MINISTER

No. 86

1993

**PROMULGATION OF ACT OF
THE NATIONAL ASSEMBLY**

The following Act which has been passed by the National Assembly and signed by the President in terms of the Namibian Constitution is hereby published in terms of Article 56 of that Constitution.

No. 10 of 1993: Income Tax Amendment Act, 1993.

EXPLANATORY NOTE:

- _____ Words underlined with solid line indicate insertions in existing enactments.
- [] Words in bold type in square brackets indicate omissions from existing enactments.
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ACT

To amend the Income Tax Act, 1981, so as to include in the definition of "gross income" amounts received upon the cessation of a provident fund and to include the proceeds derived from an insurance policy contracted for providing for the education or training of a child and in respect of which premiums were allowed as a deduction; to define "registered manufacturer"; to make provision for the registration, for the purposes of certain provisions of the Act, of certain taxpayers carrying on manufacturing trades; to prescribe a rate of special abatement on taxable income applicable to registered manufacturers; to empower the Minister of Finance, in consultation with the Minister of Trade and Industry, to increase the said rate of special abatement in particular cases; to provide for certain deductions, in respect of registered manufacturers, in respect of certain buildings and expenditure incurred in connection with wages and training and the export of goods; to amend the definition of "sole breadwinner"; to provide that benefits received from a provident fund accruing from a source outside Namibia be deemed to be from a source within Namibia; to provide for benefits received from a retirement annuity fund to which contributions were made from proceeds derived as a consequence of the cessation of a pension fund to be deemed to be received from a source within Namibia; to provide for the deductibility of premiums paid towards certain educational policies; to remove the exemption from the tax applying in respect of the South West Africa Water and Electricity Corporation (Proprietary) Limited; to make provision that in the determination of the taxable income of a taxpayer carrying on long-term insurance business amounts derived by such taxpayer from the investment of funds

attributable to such business carried on by such taxpayer with any provident fund be excluded; to repeal the provisions relating to the determination of the annual average taxable income in respect of persons carrying on farming operations; to further regulate the valuation of livestock for the purpose of the determination of taxable income derived from farming operations; to introduce new rates of tax; and to provide for incidental matters.

(Signed by the President on 11 August 1993)

BE IT ENACTED by the Parliament of the Republic of Namibia, as follows:-

Amendment of section 1 of Act 24 of 1981, as amended by section 1 of Proclamation AG. 10 of 1985, section 1 of Act 8 of 1987, section 1 of Act 1 of 1989, section 24 of Act 3 of 1991, section 1 of Act 8 of 1991, section 1 of Act 12 of 1991 and section 1 of Act 25 of 1992.

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

(a) by the substitution for paragraph (dB) of the definition of "gross income" of the following paragraph:

"(dB) any amount received or accrued under the rules of a provident fund upon -

(i) the death or the relinquishment of office or employment of any member of the provident fund due to superannuation, ill-health or other infirmity; [or]

(ii) the termination of such a member's employment due to dismissal or resignation; or

(iii) the cessation of the provident fund;";

(b) by the insertion after paragraph (dB) of the definition of "gross income" of the following paragraph:

"(dC) any amount received or accrued under or upon the maturity, payment, surrender or disposal of any policy of insurance if any premium paid in respect of such policy of insurance, was allowed as a deduction in terms of section 17(1)(qA);"; and

- (c) by the insertion after the definition of "pension fund" of the following definition:

" 'registered manufacturer' means a taxpayer registered as a manufacturer under section 5A; "

Amendment of section 5 of Act 24 of 1981, as amended by section 1 of Proclamation AG.25 of 1989, section 24 of Act 3 of 1991 and section 2 of Act 25 of 1992.

2. Section 5 of the principal Act is hereby amended -

- (a) by the substitution for subsection (3) of the following subsection:

"(3) For the purpose only of determining the rate of normal tax payable by any person (other than a person referred to in subsection (5)) whose income for the year of assessment in question includes any amount referred to in paragraph (d) or (dB)(ii) or (iii) of the definition of "gross income" in section 1, there shall be deducted from the taxable income of such person for such year of assessment the amount so included in his or her income, but in no case shall the rate of normal tax be less than that applicable to the first rand of taxable income and this subsection shall not be construed as relieving any person from liability for taxation in terms of this Act upon any portion of his or her taxable income."; and

- (b) by the deletion of subsection (5).

Insertion of sections 5A and 5B in Act 24 of 1981.

3. The following sections are hereby inserted in the principal Act after section 5:

"Registration of taxpayer as manufacturer.

5A. (1) The Permanent Secretary shall for the purposes of sections 5B, 17(1)(f), 17A and 17B, and on application by any taxpayer who conducts a manufacturing enterprise, or intends conducting such an enterprise, register such taxpayer in respect of such manufacturing enterprise as a manufacturer if the Minister, in consultation with the Minister of Trade and Industry, approves such manufacturing enterprise on account thereof that it is considered by the Minister so acting to be beneficial to the economic development of Namibia or the economic advancement of its inhabitants.

(2) An application referred to in subsection (1) shall -

- (a) be made in writing to the Permanent Secretary in a manner determined by the Permanent Secretary; and
- (b) be accompanied by such information as the Permanent Secretary may require.

Special abatement in respect of manufacturers.

5B. (1) Notwithstanding anything to the contrary contained in this Act and for the purposes of calculating the normal tax payable by a taxpayer who is a registered manufacturer and who has in any year of assessment derived any taxable income from manufacturing, there shall, in respect of such year of assessment, be allowed, by way of a special abatement -

- (a) in the case of such a taxpayer who is not a company, on his or her taxable amount;
- (b) in the case of such a taxpayer which is a company, on its taxable income,

an amount equal to -

- (aa) 50 per cent of the taxable income so derived in each year of assessment for the first five years of assessment commencing in the year of assessment during which the taxpayer concerned is registered as a manufacturer under section 5A;
- (bb) 45 per cent of the taxable income so derived in the sixth ensuing year of assessment;

- (cc) 40 per cent of the taxable income so derived in the seventh ensuing year of assessment;
- (dd) 35 per cent of the taxable income so derived in the eighth ensuing year of assessment;
- (ee) 30 per cent of the taxable income so derived in the ninth ensuing year of assessment;
- (ff) 25 per cent of the taxable income so derived in the tenth ensuing year of assessment;
- (gg) 20 per cent of the taxable income so derived in the eleventh ensuing year of assessment;
- (hh) 15 per cent of the taxable income so derived in the twelfth ensuing year of assessment;
- (ii) 10 per cent of the taxable income so derived in the thirteenth ensuing year of assessment; and
- (jj) 5 per cent of the taxable income so derived in the fourteenth ensuing year of assessment.

(2) Notwithstanding the provisions of subsection (1), the Minister, in consultation with the Minister of Trade and Industry, and any other Minister whom the Minister considers it expedient to consult, and having regard to the nature, and importance to Namibia's economy, of the taxpayer's manufacturing enterprise, may, on such terms and conditions as the Minister may impose by agreement with the registered

manufacturer concerned, determine that the amount to be allowed by way of a special abatement under any of paragraphs (aa) to (jj) of that subsection, and for the year or years of assessment as the Minister may so determine, be increased in respect of such registered manufacturer to an amount equal to not more than 100 per cent of the taxable income of such taxpayer which has been derived from manufacturing in the year or years of assessment in question.

(3) The Minister shall in respect of a determination made by him or her under subsection (2), by notice in the *Gazette* notify -

- (a) the name of the taxpayer concerned;
- (b) the name of the manufacturing enterprise concerned;
- (c) the extent of the increase of such determination; and
- (d) the terms and conditions applying in respect of such determination."

Amendment of section 7 of Act 24 of 1981, as substituted by section 4 of Act 25 of 1992

4. Section 7 of the principal Act is hereby amended by the substitution for subsection (4) of the following subsection:

"(4) For the purposes of paragraphs (a) and (b) of subsection (2), "sole breadwinner" means -

- (a) any married person whose spouse's income during the year of assessment in question did not exceed R3 000; or
- (b) any divorced or unmarried person who is entitled to an income rebate in terms of subsection (3) in respect of any child or children and who has not during the year of assessment in question received from any person responsible for the maintenance

of the child or children concerned, maintenance in respect of such child or children in excess of R3 000.”.

Amendment of section 15 of Act 24 of 1981, as amended by section 4 of Proclamation AG.10 of 1985, section 4 of Act 8 of 1987 and section 4 of Act 12 of 1991.

5. Section 15 of the principal Act is hereby amended -

- (a) by the substitution for subsection (7) of the following subsection:

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

- (b) by the addition of the following subsection:

“(8) Any amount received by or accrued to a member of a retirement annuity fund shall be deemed to have been so received or accrued from a source within Namibia, irrespective of where payment of such amount is made and irrespective of where the funds from which payment is made are situate, if such member’s contribution to such retirement annuity fund was made by or on behalf of such member through the payment or transfer to such retirement annuity fund of a lump sum representing his or her accrued benefit in a pension fund, because -

- (a) such pension fund ceased to exist; or
- (b) the member, while being a member of such pension fund, elected that his or her accrued benefit in the pension fund be transferred to such retirement annuity fund or be appropriated to purchase an annuity with.”.

Amendment of section 16 of Act 24 of 1981, as amended by section 5 of Proclamation AG.10 of 1985, section 5 of Act 8 of 1987, section 2 of Act 8 of 1991, section 5 of Act 12 of 1991, section 1 of Act 33 of 1991 and section 6 of Act 25 of 1992.

6. Section 16 of the principal Act is hereby amended -

- (a) by the deletion of paragraph (x) of subsection (1); and
- (b) by the addition to subsection (1) of the following paragraph:

“(ab) so much of any amount received by or accrued to any person under or upon the maturity, payment, surrender or disposal, as the case may be, of any policy of insurance as is proved to the satisfaction of the Permanent Secretary has been or is to be expended for providing for the education or training at an educational institution of a child in respect of which the taxpayer concerned is entitled to a rebate under section 7(3) and which education or training is or will be undergone by such child for the purpose of obtaining a post-school qualification.”.

Amendment of section 17 of Act 24 of 1981, as amended by section 2 of Act 12 of 1982, section 6 of Proclamation AG.10 of 1985, section 6 of Act 8 of 1987 and section 7 of Act 25 of 1992.

7. Section 17 of the principal Act is hereby amended -

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

“Provided further that where any person becomes liable for the payment of the tax by reason of the repeal or amendment of any provision of this Act or any other law by virtue of which such person was exempted from the tax, any expenditure as contemplated in this paragraph which was incurred by such person at any time during the three years of assessment immediately preceding the year of assessment in which such person becomes so liable, shall be deemed to have been incurred in the year of assessment in which such person becomes so liable.”;

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

“(f) [save as provided in subparagraph (5) of paragraph 10 of Schedule 1,] in respect of buildings used by the taxpayer for the purpose of [his] such taxpayer’s trade, an allowance equal to twenty per cent of the cost of erection of such buildings in the year of assessment during which such buildings are brought into use, and four per cent of such cost for each of the twenty years following on the year of erection: Provided that in respect of any such buildings of which the erection is completed after the commencement of the

Income Tax Amendment Act, 1993, and which are brought into use, and used solely for manufacturing purposes, by a taxpayer who is a registered manufacturer, an allowance equal to twenty per cent of the cost of erection of such buildings shall be deductible in the year of assessment during which such buildings are brought into use and eight per cent of such cost for each of the ten years following on the year during which the erection of such buildings are completed: Provided further that no allowance shall be made under this paragraph or the first proviso to this paragraph -

- (i) where any allowance in respect of such costs has already been granted under paragraph (h);
 - (ii) in respect of buildings used or to be used by the taxpayer for the making available of housing or housing facilities to employees or, where the taxpayer is a company, to employees or directors or officials of such company;”;
- (c) by the insertion after paragraph (q) of subsection (1) of the following paragraph:

“(qA) subject to subsection (2), so much of the total current premiums paid during the year of assessment in question under a policy of insurance taken out by the taxpayer to provide funds at a future date for the education or training of a child of such taxpayer as contemplated in paragraph (ab) of section 16(1);”; and

- (d) by the substitution for subsection (2) of the following subsection:

“(2) The aggregate of the amounts that may be deducted in terms of paragraphs (n), **[and]** (q) and (qA) of subsection (1) shall not in any year of assessment exceed the sum of R15 000.”.

Insertion of sections 17A and 17B in Act 24 of 1981.

8. The following sections are hereby inserted in the principal Act after section 17:

"Additional deductions in respect of expenditure for remuneration and training of employees of taxpayers who are registered manufacturers.

17A. (1) For the purpose of determining the taxable income derived by a taxpayer who is a registered manufacturer during a year of assessment from the manufacturing enterprise in respect of which such taxpayer is registered under section 5A, there shall, subject to subsection (2), be allowed as a deduction from the income so derived by such manufacturer, in addition to the expenditure actually incurred and allowed as a deduction during such year of assessment in terms of section 17 in respect of -

- (a) payments made by such taxpayer during such year of assessment to or on behalf of persons employed by such taxpayer in such manufacturing enterprise, in respect of remuneration or contributions to a pension fund, provident fund or benefit fund; and
- (b) expenditure incurred by such taxpayer during such year of assessment in providing training to persons employed by the taxpayer,

an amount equal to 25 per cent of the amount so allowed as a deduction under section 17.

(2) An additional deduction in terms of paragraph (b) of subsection (1) shall be allowed only if the contents, nature and duration of, and the costs pertaining to, the training programme concerned have, before the commencement of such training programme, been approved by the Permanent Secretary in consultation with the Permanent Secretary: Labour and Manpower Development and the Permanent Secretary: Trade and Industry.

Additional deductions from income in respect of expenditure incurred by registered manufacturers in connection with exports.

17B. (1) For the purposes of this section -

“basic export turnover”, in relation to any year of assessment, means the average annual income derived by the exporter from the export of goods during the 36-month period immediately preceding such year of assessment;

“current export turnover”, in relation to any year of assessment, means the income derived by the exporter from the export of goods during such year of assessment;

“export country” means any country other than Namibia;

“export” means to sell and consign, or to sell and deliver, to any purchaser at any address in any export country;

“exporter” means any registered manufacturer recognised as an exporter under subsection (4);

“goods” means any product, material or item of which the form, appearance, contents or composition has been altered through a process of manufacturing whereby the value of such product, material or item has been increased.

(2) For the purpose of determining the taxable income derived from the export of goods by an exporter, there shall be allowed as a deduction from the income so derived by the exporter, in addition to the expenditure actually incurred and allowed as a deduction in terms of section 17 in the year of assessment in question in respect of -

(a) the marketing of goods in any export country;

- (b) the advertising of goods, securing of publicity and solicitation of orders for goods in any export country, including the exhibition of goods at trade fairs in any export country;
- (c) providing, free of charge, samples of, or technical information relating to, goods to prospective customers in any export country;
- (d) the bringing of prospective customers from any export country to Namibia;
- (e) the preparation or submission of tenders or quotations in respect of goods to be exported to any export country;
- (f) the payment of commission or other remuneration in respect of the sale of goods exported to any export country or the clearing or forwarding of such goods in such country; and
- (g) the appointment of agents in any export country,

an amount equal to -

- (aa) 25 per cent of such expenditure if the current export turnover of the exporter did not exceed the basic export turnover of such exporter by more than 10 per cent or if it is not possible to determine the basic export turnover because the period that the exporter has been deriving an income from export is not sufficient for the purposes of such determination;

(bb) 50 per cent of such expenditure if the current export turnover of such exporter exceeded the basic export turnover of such exporter by more than 10 per cent but not more than 25 per cent; or

(cc) 75 per cent of such expenditure if the current export turnover of such exporter exceeded the basic export turnover of such exporter by more than 25 per cent.

(3) The Permanent Secretary shall recognise as an exporter a taxpayer who is a registered manufacturer if the Minister, in consultation with the Minister of Trade and Industry, approves such taxpayer as an exporter."

Amendment of section 32 of Act 24 of 1981 as amended by section 9 of Act 8 of 1987.

9. Section 32 of the principal Act is hereby amended by the substitution for subparagraph (i) of paragraph (a) of subsection (1) of the following paragraph:

"(i) amounts proved to the satisfaction of the Permanent Secretary to have been derived by the taxpayer from the investment of funds attributable to any long-term insurance business carried on by him or her in Namibia with any pension fund, provident fund or retirement annuity fund;"

Amendment of section 56 of Act 24 of 1981 as amended by section 10 of Proclamation AG.10 of 1985.

10. Section 56 of the principal Act is hereby amended by the deletion of subsection (12).

Substitution of section 85 of Act 24 of 1981.

11. The following section is hereby substituted for section 85 of the principal Act:

"Collection of taxes under arrangements made under section 100.

85. (1) If the Permanent Secretary has, in accordance with any arrangement made with the government of **[South Africa]** any other country by an agreement **[entered into under]** contemplated in section 100 **[or the corre-**

sponding provisions of any previous income tax law] with a view to rendering reciprocal assistance in the collection of taxes, received a request for the collection from any person in Namibia of an amount alleged to be due by him or her under the income tax laws of such [**Republic**] other country, the Permanent Secretary may, by notice in writing, call upon such person to state, within a period specified in the notice, whether or not he or she admits liability for the said amount or for any lesser amount.

(2) The Permanent Secretary may -

- (a) if such person so admits liability; or
- (b) if such person fails to comply with the notice or in answer to the notice denies his or her liability for the said amount or for any part thereof, and the President of the special court has certified that he or she has afforded the person concerned an opportunity of presenting his or her case, and that on the information submitted to him or her by the Permanent Secretary and by such person (if any), the amount specified in the certificate appears to be payable by such person in terms of a final determination under the income tax laws of such [**Republic**] other country,

by notice in writing require such person to pay the amount for which he or she has admitted liability or the amount so specified, as the case may be, on a date, at a place and to a person specified in the notice, for transmission to the proper authority in such [**Republic**] other country.

(3) If such person fails to comply with the notice under subsection (2) the amount in question may, subject, in the case of any amount to which any such certificate relates, to the outcome of any proceedings which such person may institute in such **[Republic]** other country for determining his or her liability for the said amount, be recovered for transmission to the said authority as if it were a tax payable by such person under this Act.

(4) No steps taken in **[the Republic of South Africa]** such other country under any arrangements referred to in subsection (1), for the collection of an amount alleged to be due by any person under the income tax laws of Namibia, and no judgement given against any such person in pursuance of such arrangements in such **[Republic]** other country for any such amount, shall affect his or her right to have his or her liability for any such amount determined in Namibia in accordance with the provisions of the relevant law.”.

Amendment of Schedule 1 to Act 24 of 1981, as amended by section 3 of Act 12 of 1982, section 15 of Proclamation AG.10 of 1985 and section 19 of Act 25 of 1992.

12. Schedule 1 to the principal Act is hereby amended -

(a) by the substitution for subparagraph (2) of paragraph 4 of the following subparagraph:

“(2) (a) For the purposes of an assessment in respect of the year of assessment ending on 28 February 1994, the number and class of the livestock held by a farmer at the beginning of that year of assessment shall, if such farmer is not a company, for the purposes of this subparagraph, be deemed to be the number and class of the livestock held by him or her at the end of the year of assessment ending 28 February 1993, and the value of such livestock deemed to be so held, shall be determined in accordance with the provisions of paragraph 6 of this Schedule after its amendment by the Income Tax Amendment Act, 1993.

(b) For the purposes of an assessment in respect of the financial year of a company carrying on farming operations commencing on or after 1 January 1993, the number and class of the livestock held by such company at the beginning of such financial year shall, for the purposes of this subparagraph, be deemed to be the number and class of the livestock held by it at the end of the previous financial year, and the value of such livestock deemed to be so held, shall be determined in accordance with the provisions of paragraph 6 of this Schedule after its amendment by the Income Tax Amendment Act, 1993.

(c) There shall, notwithstanding anything to the contrary in this Act contained, be included in the income -

(i) of a farmer who is not a company -

(aa) for the year of assessment ending on 28 February 1994, an amount equal to 10 per cent; and

(bb) for the years of assessment ending on the last day of February 1995, 1996, 1997 and 1998, respectively, an amount equal to 20 per cent;

(ii) of a company carrying on farming operations -

(aa) for the year of assessment commencing on or after 1 January 1993, an amount equal to 10 per cent; and

(bb) for the years of assessment commencing on or after 1 January 1994, 1995, 1996 and 1997, respectively, an amount equal to 20 per cent,

of the difference in the value of the livestock referred to in subparagraph (a) held at the end of the year of assessment ending on 28 February 1993 and deemed

to be held at the beginning of the year of assessment ending on 28 February 1994, by such farmer who is not a company, or of the difference in the value of the livestock referred to in subparagraph (b) held at the end of the financial year commencing on or after 1 January 1992 and deemed to be held at the beginning of the financial year commencing on or after 1 January 1993, by such company carrying on farming operations, as the case may be.”;

- (b) by the substitution in subparagraph (a) of paragraph 6(1) for the words preceding item (i) of the following words:

“in the case of any farmer (other than a company or the estate of a deceased person) who in respect of [a] the year of assessment ending [**before the first day of March 1981, rendered returns of income in respect of farming operations**] on 28 February 1994 includes in his or her return of income any class of livestock -”;

- (c) by the deletion of item (i) of subparagraph (a) of paragraph 6(1);
- (d) by the deletion of subparagraph (b) of paragraph 6(1);
- (e) by the substitution in subparagraph (c) of paragraph 6(1) for the words preceding item (i) of the following words:

“in the case of any company or estate of a deceased person the return of income of which in respect of farming operations for the first year of assessment of that company or estate [**ending**] commencing, in the case of that company, on or after 1 [**March 1982**] January 1994, or in the case of that estate on or after 1 March [**1981**] 1993 includes that class of livestock, either -”;

- (f) by the substitution for subparagraph (2) of paragraph 6 of the following subparagraph:

“(2) Any standard value adopted by any farmer under subparagraph (1)(a)(ii) or (1)(a)(iii) shall apply to the livestock referred to in paragraph 4(2)(a) in relation to such farmer, and notwithstanding anything to the contrary contained in this Act, but subject to the proviso to subparagraph (3), the Permanent Secretary shall not give his or her consent to or approve any variation of any standard value which will affect the amounts referred to in [the proviso to paragraph 4(2)(a)] paragraph 4(2)(c).”;

- (g) by the substitution for subparagraph (3) of paragraph 6 of the following subparagraph:

“(3) Any farmer who classifies any kind of [his] such farmer's livestock on a basis other than that applied by a regulation referred to in subparagraph (1)(a)(ii), [(1)(b)(i)] (1)(c)(i) or (1)(d)(i), may adopt in respect of any class into which [he] such farmer so classifies that livestock such a standard value as may be approved by the Permanent Secretary [with due regard to the values] which standard value so adopted shall not be lower than the standard value fixed by regulation in respect of such class of livestock: Provided that the Permanent Secretary, if he or she is of the opinion that the production costs incurred by such farmer in respect of any such class of livestock is lower than the standard value so fixed by regulation, may approve a standard value so adopted by such farmer in respect of such class of livestock which is lower than the standard value so fixed by regulation but which shall not be lower than such production costs so incurred.”;

- (h) by the substitution for paragraph 7 of the following paragraph:

“7. (1) The exercise of an option under subparagraph (1)(a)(iii), [(1)(b)(ii)] (1)(c)(ii) or (1)(d)(ii) of paragraph 6 shall be binding upon the farmer in respect of all subsequent returns for income tax purposes, and no standard value adopted by any farmer whether under this Act or any previous income tax law, may be varied by [him] such farmer in respect of any subsequent year of assessment, save with the consent and

approval of the Permanent Secretary, and upon such terms as the Permanent Secretary may impose.

(2) Any variation of a standard value referred to in subparagraph (1) shall be subject to the provisions of subparagraph (3) of paragraph 6.”;

- (i) by the substitution for subparagraph (8) of paragraph 10 of the following subparagraph:

“(8) The aggregate of all the deductions allowed under item (d) of subparagraph (1) or the corresponding provisions of any previous income tax law to any farmer in respect of the erection of any buildings used for the domestic purposes of any one of [his] such farmer’s employees shall not exceed the sum of **[four thousand rand] R15 000.**”;

- (j) by the deletion of paragraph 12.

Amendment of Schedule 2 to Act 24 of 1981, as amended by section 11 of Act 8 of 1987 and section 20 of Act 25 of 1992.

13. Schedule 2 to the principal Act is hereby amended by the substitution for paragraph (a) of the definition of “remuneration” of the following paragraph -

“(a) any amount referred to in paragraph (a), (b), (c), (d), (dB) or (e) of the definition of gross income in section 1 of this Act.”.

Amendment of Schedule 4 to Act 24 of 1981 added by section 21 of Act 25 of 1992.

14. Schedule 4 to the principal Act is hereby amended -

(a) by the substitution for paragraph 1 of the paragraph set out in the Schedule to this Act; and

(b) by the substitution for subparagraph (a) of paragraph 3 of the following subparagraph:

“(a) on each rand of the taxable income of any company (excluding taxable income derived from mining operations and taxable income referred to in paragraph (c)), **[forty] thirty-eight** cents;”.

Short title and commencement.

15. This Act shall be called the Income Tax Amendment Act, 1993, and shall be deemed to have come into operation -

- (a) in the case of any taxpayer other than a company, at the beginning of the year of assessment commencing on or after 1 March 1993;
- (b) in the case of any taxpayer which is a company, at the beginning of the year of assessment of such company commencing on or after 1 January 1993.

SCHEDULE

(Section 14(a))

1. RATES OF NORMAL TAX

(Section 6 of this Act)

<u>TAXABLE AMOUNT</u>	<u>RATES OF TAX</u>
Where the taxable amount - does not exceed R15 000	12 per cent of each R1 of the taxable amount;
exceeds R15 000, but does not exceed R20 000	R1 800 plus 22 per cent of the amount by which the taxable amount exceeds R15 000;
exceeds R20 000, but does not exceed R25 000	R2 900 plus 26 per cent of the amount by which the taxable amount exceeds R20 000;
exceeds R25 000, but does not exceed R30 000	R4 200 plus 29 per cent of the amount by which the taxable amount exceeds R25 000;
exceeds R30 000, but does not exceed R40 000	R5 650 plus 31 per cent of the amount by which the taxable amount exceeds R30 000;
exceeds R40 000, but does not exceed R50 000	R8 750 plus 32 per cent of the amount by which the taxable amount exceeds R40 000;
exceeds R50 000, but does not exceed R60 000	R11 950 plus 33 per cent of the amount by which the taxable amount exceeds R50 000;
exceeds R60 000, but does not exceed R70 000	R15 250 plus 34 per cent of the amount by which the taxable amount exceeds R60 000;
exceeds R70 000, but does not exceed R80 000	R18 650 plus 35 per cent of the amount by which the taxable amount exceeds R70 000;
exceeds R80 000, but does not exceed R90 000	R22 150 plus 36 per cent of the amount by which the taxable amount exceeds R80 000;
exceeds R90 000, but does not exceed R100 000	R25 750 plus 37 per cent of the amount by which the taxable amount exceeds R90 000;
exceeds R100 000	R29 450 plus 38 per cent of the amount by <u>which the taxable amount exceeds R100 000.</u>