

INTRODUCTION

MAIN TAX PROPOSALS

The summary below reflects the main budget proposals of March 2025, excluding the proposed Vat rate increase, expanded zero rated items and including the increase in fuel levy

In brief

- The revised tax revenue estimate for 2024/25 is R1.85 trillion, which is R16.7 billion less than expected in the 2024 Budget.
- The 2026/27 Budget will therefore need to propose new tax measures, aimed at raising R20 billion.
- General fuel levy on petrol increases by 16c per litre and on diesel by 15c per litre on 4 June 2025, the first increase in three years.
- Building on the progress made in revitalising the South African Revenue Service (SARS), government will continue to protect and broaden the tax base.

The main tax proposals for 2025/26 are:

- The 2025 Budget tax proposals are designed to increase revenue collection. In addition, guidance is provided on the future of the carbon tax.
- Personal income tax is increased in 2025/26 by not adjusting the tax brackets, rebates and medical tax credits for inflation.
- Excise duties on alcohol and tobacco products will be adjusted above the expected inflation rate.

2024/25		2025/26	
Taxable income (R)	Rates of tax	Taxable income (R)	Rates of tax
R0 – R 237 100	18% of each R1	R0 - R237 100	18% of each R1
R237 101 - R370 500	R42 678 + 26% of the amount above R237 100	R237 101 - R370 500	R42 678 + 26% of the amount above R237 100
R370 501 - R512 800	R77 362 + 31% of the amount above R370 500	R370 501 - R512 800	R77 362 + 31% of the amount above R370 500
R512 801 - R673 000	R121 475 + 36% of the amount above R512 800	R512 801 - R673 000	R121 475 + 36% of the amount above R512 800
R673 001 - R857 900	R179 147 + 39% of the amount above R673 000	R673 001 - R857 900	R179 147 + 39% of the amount above R673 000
R857 901 - R1 817 000	R251 258 + 41% of the amount above R857 900	R857 901 - R1 817 000	R251 258 + 41% of the amount above R857 900
R1 817 001 and above	R644 489 + 45% of the amount above R1 817 000	R1 817 001 and above	R644 489 + 45% of the amount above R1 817 000
Rebates		Rebates	
Primary	R17 235	Primary	R17 235
Secondary	R9 444	Secondary	R9 444
Tertiary	R3 145	Tertiary	R3 145
Tax threshold		Tax threshold	
Below age 65	R95 750	Below age 65	R95 750
Age 65 and over	R148 217	Age 65 and over	R148 217
Age 75 and over	R165 689	Age 75 and over	R165 689

Adjustment of transfer duty

As part of the periodic reviews of monetary values in tax tables, the monetary thresholds for transfer duties will be adjusted by 10 per cent to compensate for inflation. The transfer duty tax rates will remain unchanged. Table 4.6 indicates the adjusted values and is proposed to become effective on 1 April 2025.

Table 4.6 Transfer duty rates and bracket adjustments

2024/25		2025/26	
Property value (R)	Rates of tax	Property value (R)	Rates of tax
R0 - R1 100 000	0% of property value	R0 - R1 210 000	0% of property value
R1 100 001 - R1 512 500	3% of property value above R1 100 000	R1 210 001 - R1 663 800	3% of property value above R1 210 000
R1 512 501 - R2 117 500	R12 375 + 6% of property value above R1 512 500	R1 663 801 - R2 329 300	R13 614 + 6% of property value above R1 663 800
R2 117 501 - R2 722 500	R48 675 + 8% of property value above R2 117 501	R2 329 301 - R2 994 800	R53 544 + 8% of property value above R2 329 300
R2 722 501 - R12 100 000	R97 075 + 11% of property value above R2 722 501	R2 994 801 - R13 310 000	R106 784 + 11% of property value above R2 994 800
R12 100 001 and above	R1 128 600 + 13% of property value above R12 100 000	R13 310 001 and above	R1 241 456 + 13% of property value above R13 310 000

WHO PAYS THE TAXES

Taxable Bracket R	Registered Individuals		Income Tax Payable	
	Number	%	R Billion	%
0 - 96 000	6 557 001	45.4	-	0
96 001 – 150 000	1 640 119	11.4	13,7	1.7
150 001 – 250 000	1 774 242	12.3	25,9	3.2
250 001 – 350 000	1 101 021	7.6	43,4	5.4
350 001 – 500 000	1 306 047	9.0	101,6	12.5
500 001 – 750 000	1 089 046	7.5	136,8	16.9
750 001 – 1 000 000	408 789	2.8	95,6	11.8
1 000 001 – 1 500 000	344 392	2.4	128,8	15.9
1 500 000 +	224 959	1.6	265,3	32.7
Total	14 445 616	100.0	811,1	100.0

Regards

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