


TAX | **Day-to-day**

Budget Speech 2020
All you need to know

The National Budget Speech offers a view of what the government's spending plan for the upcoming financial year is. We also find out how taxes might affect your income, savings, investments and day-to-day costs.

POSITIVE TAKE AWAY

Even though these are tough economic times, Budget 2020 has introduced personal income tax relief for individuals and first-time home buyers. Personal income tax brackets have been adjusted to accommodate inflation and properties up to R1 million will not be subject to transfer duty. VAT, corporate tax, dividends tax and estate duty tax rates remain unchanged ensuring that there is no additional tax burden on South Africans this year.

Income TAX 
R2 billion
Individual taxpayers receive a tax relief of R2 billion thanks to the adjustment of personal income tax brackets and rebates above expected inflation.


Corporate TAX 
28%
The corporate tax rate remains unchanged at 28% but the use of assessed losses and interest deductions for companies will be limited.


Property TAX 
R1 million
Home buyers will not pay any transfer duty on properties valued up to R1 million.


TAX-free savings 
R36 000
Investors in tax free savings products can now contribute up to R36 000 per year.


Financial impact on you




 **Day-to-day**

 **Carbon TAX**
5.6%
The carbon tax rate increases by 5.6% from R120 to R127 per tonne of carbon dioxide equivalent.

 **Sin TAX**
7.5%
Taxes on alcohol and tobacco will increase between 4.4% and 7.5% with immediate effect.

 **Plastic TAX**
25c
The plastic bag levy increases from 12c to 25c.

 **VAT**
15%
VAT remains unchanged at 15%, minimising the impact on lower-income households.

What you can do about it



Look

for unnecessary spending in your budget



Find out

how to optimise your investments



Get

an accurate view of your retirement savings



Ask

us how to get the most out of your income

Speak To Us To Make Your Dreams Possible In 2020