

2025/2026

# Tax Guide



CHARTERED ACCOUNTANTS (SA)

# Summarised Tax Guide 2025

## INCOME TAX: INDIVIDUALS AND TRUSTS

Tax rates 1 March 2025 to 28 February 2026: Individuals and special trusts

Taxable Income (R)	Rate of Tax
1 – 237 100	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

### Individual Rebates

Primary	R 17 235
Secondary	R 26 679
Tertiary	R 29 824

### Age Tax threshold

Below Age 65	R 95 750
Age 65 to Below 75	R 148 217
Age 75 and Over	R 165 689

### INDIVIDUAL INTEREST EXEMPTIONS

Threshold	Rate
Below age 65	R 23 800
Age 65 and over	R 34 500

### Provisional Tax

- Applies to individuals earning non-salary income (e.g., rental, dividends, freelance work).
- Not required if:
  - No business activity, and taxable income is below the annual tax threshold.
  - Passive income (interest, dividends, rental) is R30,000 or less.
- Deceased estates are not provisional taxpayers.

## COMPANIES AND TRUSTS

### COMPANIES

Year of Assessment	Rate
1 April 1993 to 31 March 1994	40%
1 April 1994 to 31 March 1999	35%
1 April 1999 to 31 March 2005	30%
1 April 2005 to 31 March 2008	29%
1 April 2008 to 28 February 2023	28%
1 March 2023 to 31 March 2024	27%
1 April 2024 to 31 March 2025	27%
1 April 2025 to 31 March 2026	27%

### SMALL BUSINESS CORPORATIONS – 1 April 2025 to 31 March 2026

Taxable Income (R)	Rate
0–95 750	0%
95 751–365 000	7% of the amount over R 95 750
365 001–550 000	R 18 848 + 21% of amount over R 365 000
550 001 +	R 57 698 + 27% of amount over R 550 000

### TRUSTS (OTHER THAN SPECIAL TRUSTS)

Year of Assessment	Rate
2015	40%
2016 – 2017	41%
2018 - 2026	45%

### VAT

Year	Rate
Effective 30 September 1991	10%
Effective 7 April 1993	14%
Effective 10 April 2018	15%
Effective 1 May 2025	15.5%

### DEDUCTIONS

INDIVIDUAL - MEDICAL AID TAX CREDITS	2025/2026	2024/2025	2023/2024
Main Member	R 364.00	R 364.00	R 364.00
Main Member with one dependent	R 728.00	R 728.00	R 728.00
Main Member with two dependents	R 974.00	R 974.00	R 974.00

## NATIONAL BUDGET SPEECH HIGHLIGHTS

### Tax Proposals:

- VAT Increase:** A phased increase in the VAT rate by 0.5 percentage points each in 2025/26 and 2026/27, raising the rate from 15% to 16% by 2026.
- Personal Income Tax:** No adjustment for inflation in personal income tax brackets and rebates for 2025/26, potentially affecting taxpayers' tax brackets.
- Sin Taxes:** Increases in excise duties on alcohol and tobacco products, with specific rates detailed in the budget documents

### Social and Infrastructure Investments:

- Social Grants:** Continuation of the Social Relief of Distress Grant to support vulnerable populations.
- Infrastructure Funding:** Additional funding of R46.7 billion allocated for infrastructure investments to stimulate economic growth and job creation.

### Energy Sector Support:

- Eskom Debt Relief:** Reduction of the debt relief package for Eskom by R20 billion, now totaling R50 billion in loans, due to improved financial performance.

### Electric Vehicle (EV) Initiatives:

- EV Production Incentives:** Investment of R1 billion to support local production of electric vehicles and related manufacturing projects, aiming to transition the automotive industry by 2035.

### Economic Growth and Fiscal Outlook:

- Growth Forecast:** Real GDP growth is projected at 1.9% for 2025, with an average of 1.8% from 2025 to 2027, supported by improved investor confidence and a stable electricity supply.
- Budget Deficit:** The consolidated budget deficit is expected to narrow from 5% of GDP in 2024/25 to 3.5% in 2027/28.
- Debt Stabilization:** Gross national debt is anticipated to stabilize at 75% of GDP in 2025, with debt-service costs consuming 22 cents of every rand of revenue.



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