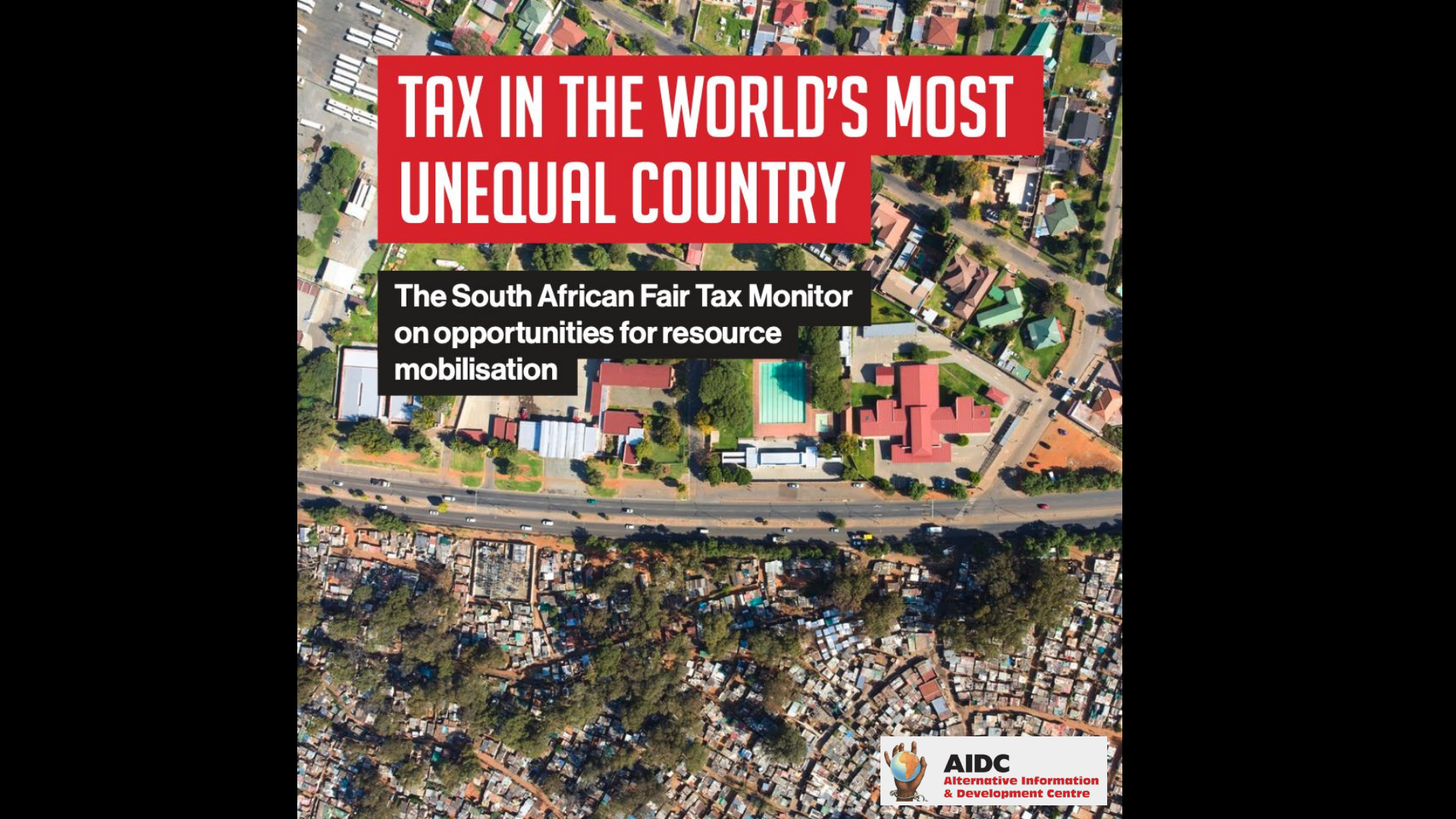




TAX IN THE WORLD'S MOST UNEQUAL COUNTRY

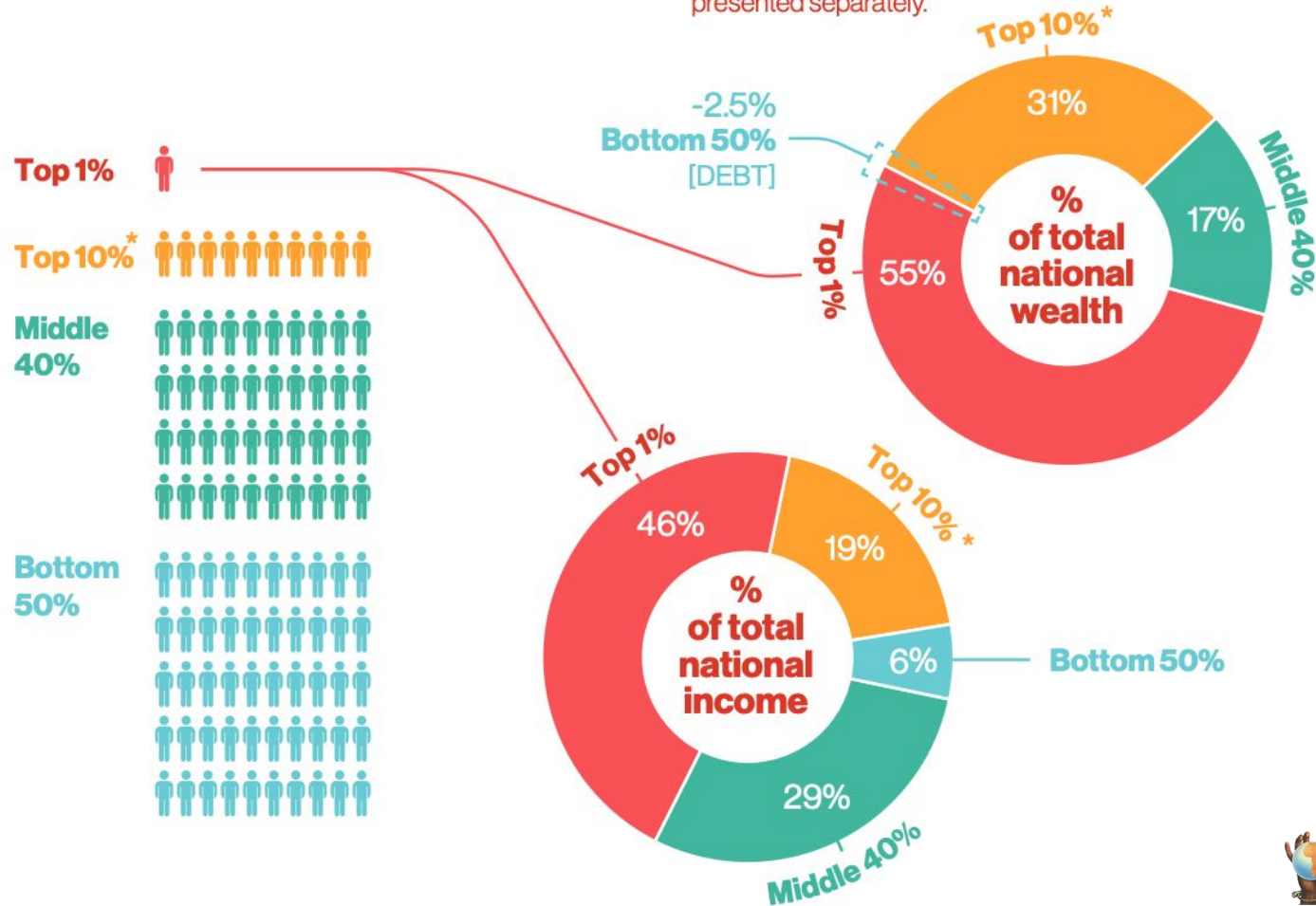
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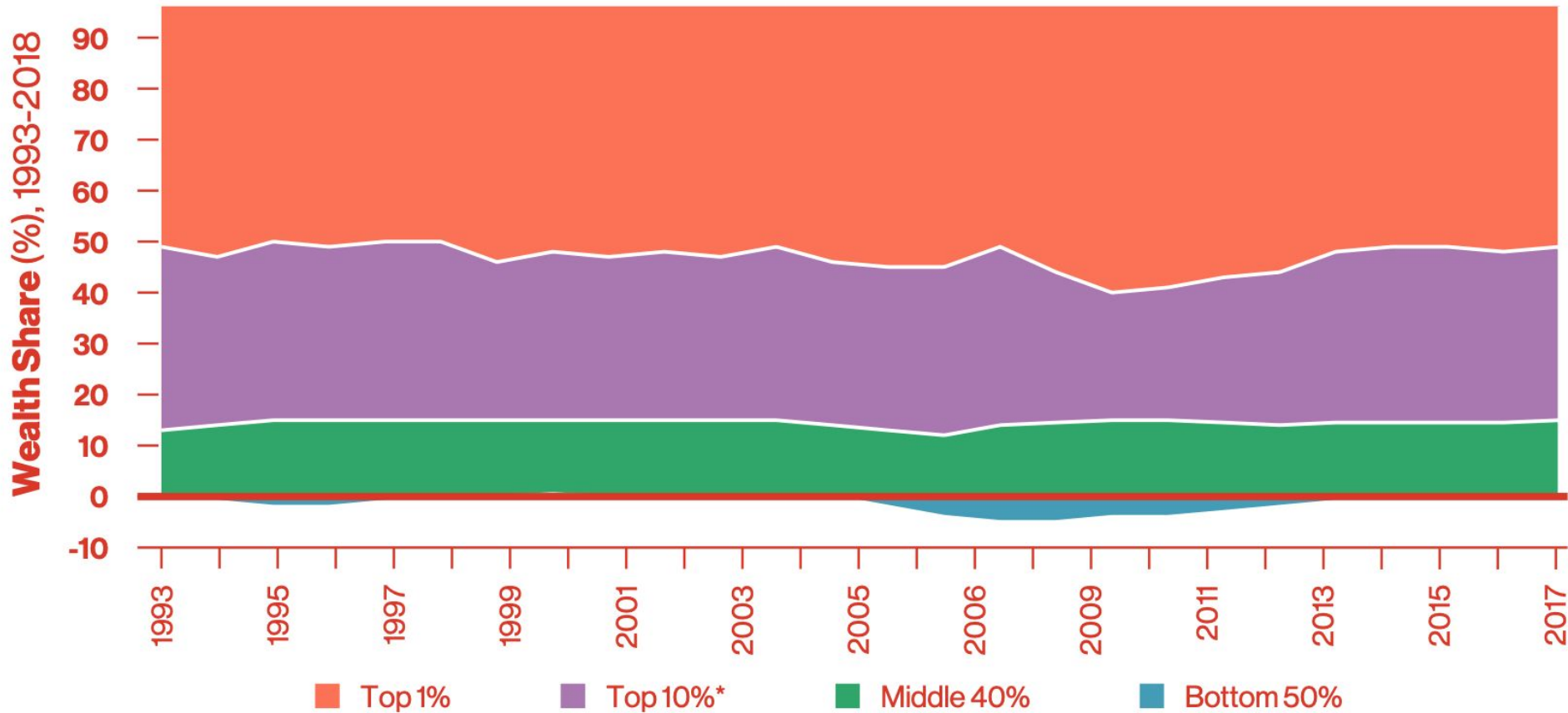


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Income Bracket	Tax Rate
1 - 99 000	0%
99 000 – 245 100	18%
245 101 – 383 100	26%
383 101 – 530 200	31%
530 201 – 695 800	36%
695 801 – 887 000	39%
887 001 – 1 878 600	41%
1 878 601 and above	45%

Below: Figure 9: Income and wealth inequality in South Africa 2022⁷¹. * Top10% excluding the top 1%, who are presented separately.



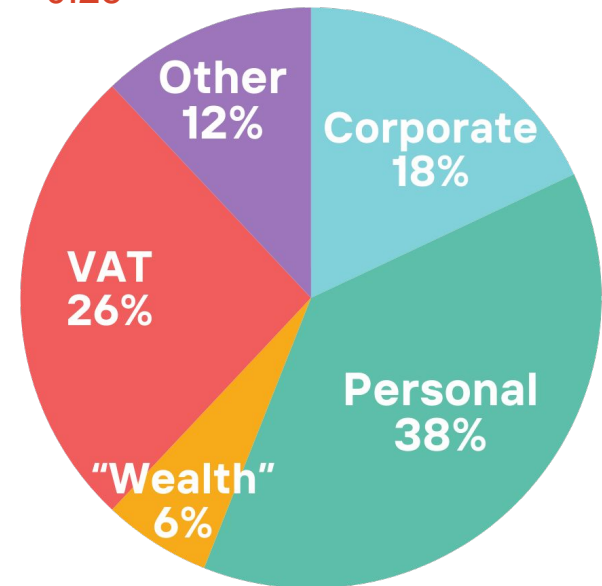


Below: Figure 10: Wealth shares 1993 - 2018.⁷²

* Top 10% excluding the top 1%, who are presented separately.



Tax	When	Rate (%)
Municipal Property Tax	when you own a home	0.5-2.5
Transfer Duty	once off when you buy a house	0-1.3
Estate Duty	when you leave more than R3.5 million	20-25
Securities Transfer Tax	when you buy and sell stocks	0.25



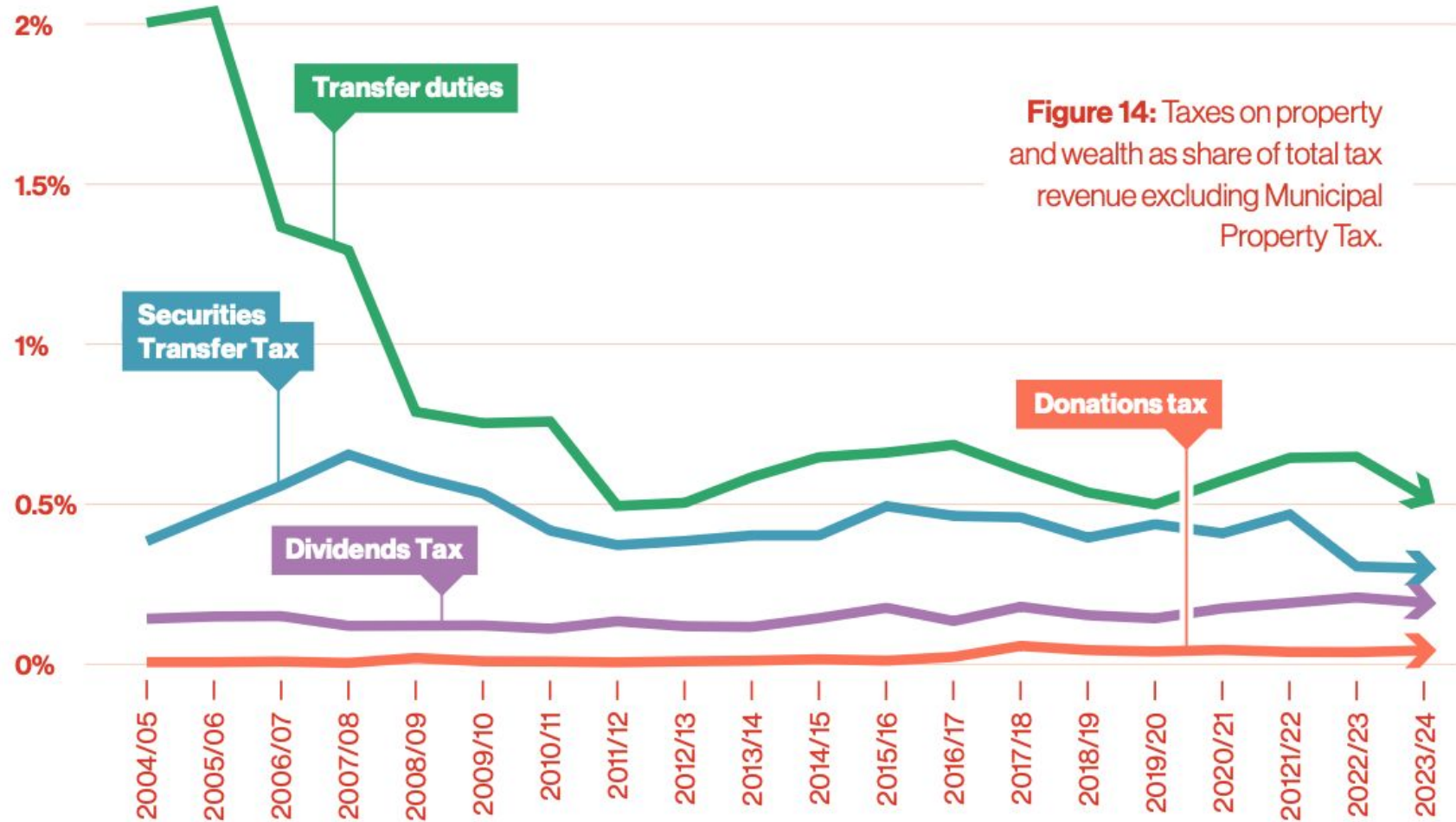
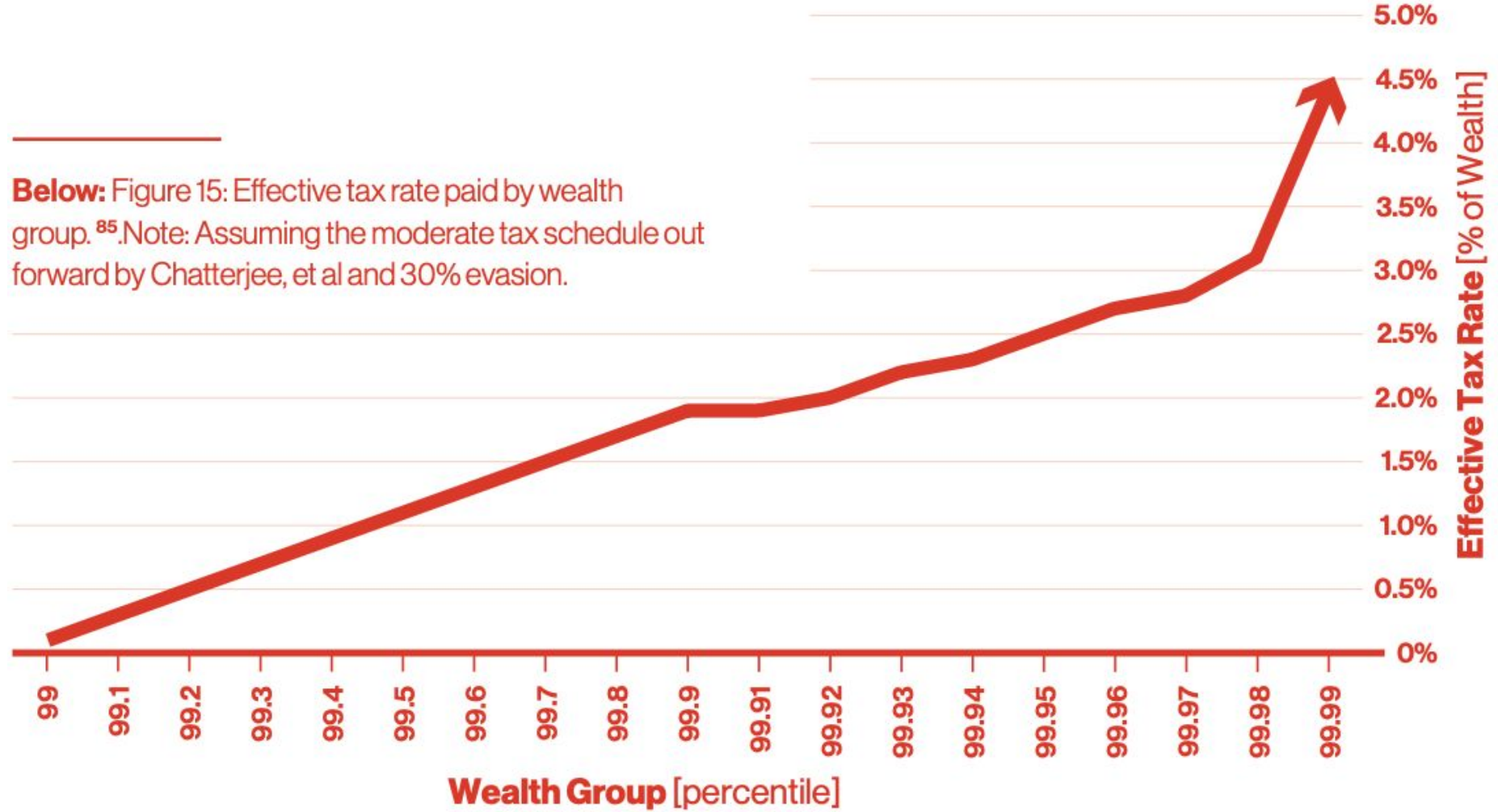


Figure 14: Taxes on property and wealth as share of total tax revenue excluding Municipal Property Tax.

Below: Figure 15: Effective tax rate paid by wealth group.⁸⁵ Note: Assuming the moderate tax schedule out forward by Chatterjee, et al and 30% evasion.



A tax deduction is applied against your taxable **income**, while a tax credit is applied against your tax **liability**.

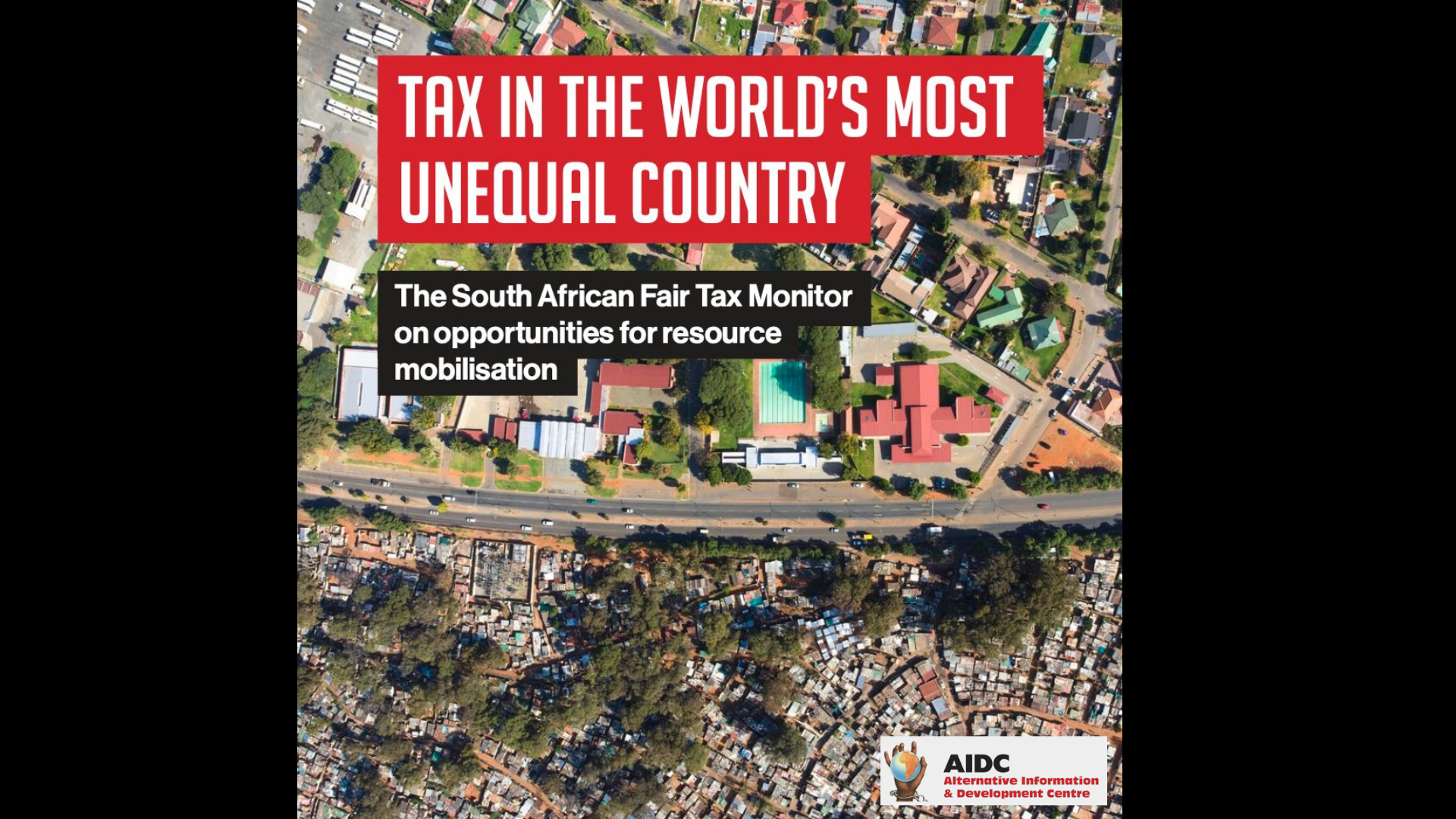
Deductions benefit those with higher effective tax rates (i.e. those that earn more) more than others, while credits benefit everyone equally.

	Annual Salary	Pension Contribution	Tax Saving under Tax Deduction	Tax Saving under Tax Credit
Maya	800 000	48 000	18 720	12 480
Sofia	200 000	48000	8640	12 480

Medical Aid Credit Rebate	SRD Grant
R364 -> R376	R370
Privileged 16%	Poorest 9%
Costs R30 billion	Costs R35 billion

The debate around tax is as political as it is technical.





TAX IN THE WORLD'S MOST UNEQUAL COUNTRY

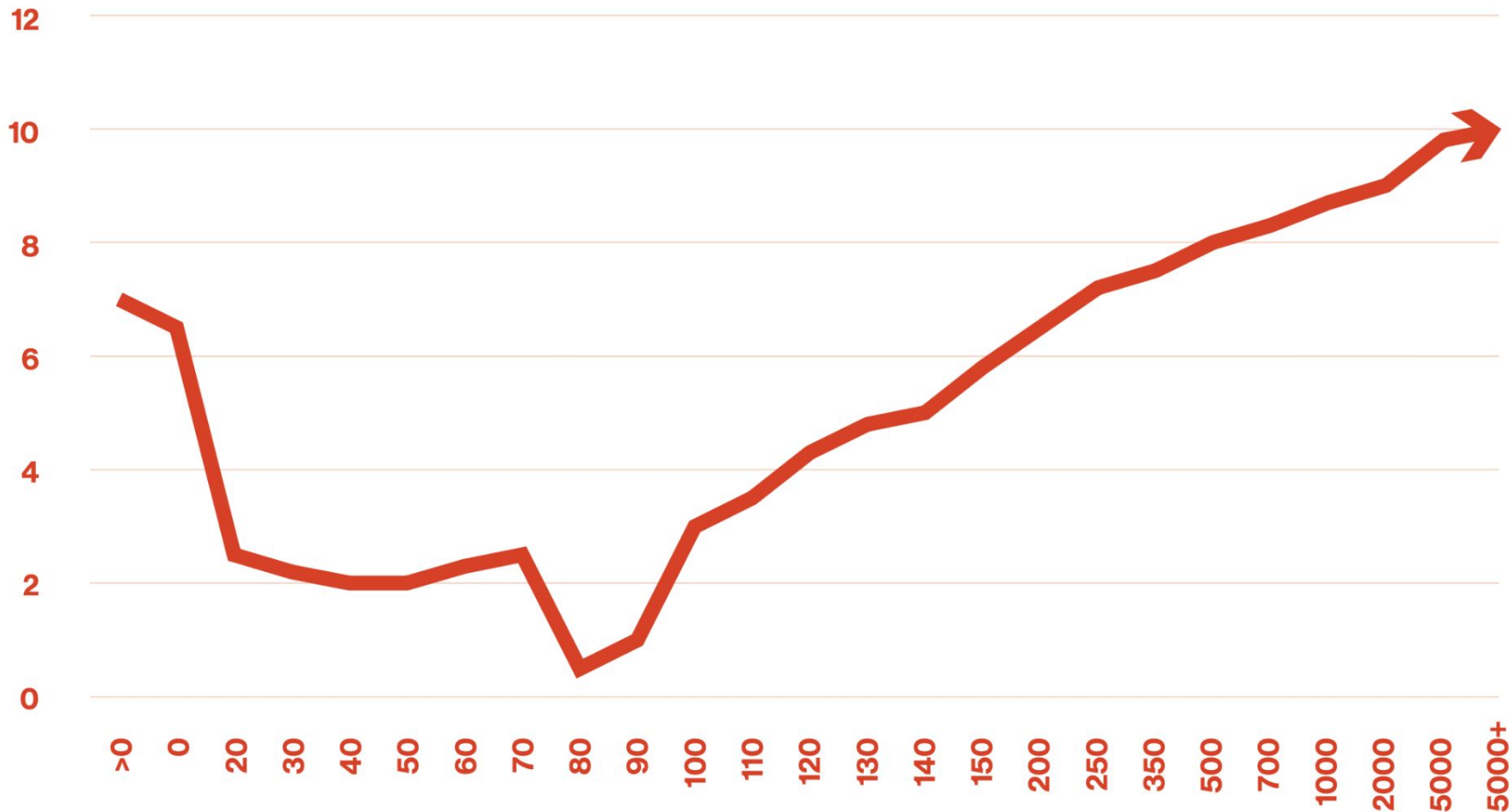
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Wealth group	No. adults	Wealth threshold	Low tax	Moderate tax	High tax
Top 1%	356,000	R 3,820,000	1%	3%	3%
Top 0.1%	35,600	R 30,350,000	2%	5%	7%
Top 0.01%	3,560	R 146,890,000	3%	7%	9%

Average Medical Tax Credit



Estate duty rates.¹²¹

Estate Value	Rate (%)
Under 3.5 million	0
R3.5 - 30 million	20
Over R30 million	25

The Davis Tax Committee noted that estate duty is significantly underperforming in terms of revenue collections in South Africa.¹²²

Estate, inheritance and gift taxes		
Country	% of Tax Revenue	% of GDP
Brazil	0.39	0.13
OECD average	0.67	0.15
South Africa	0.23	0.06

Above: Table 26: Estate, inheritance and gift taxes by country, 2022. ¹²³

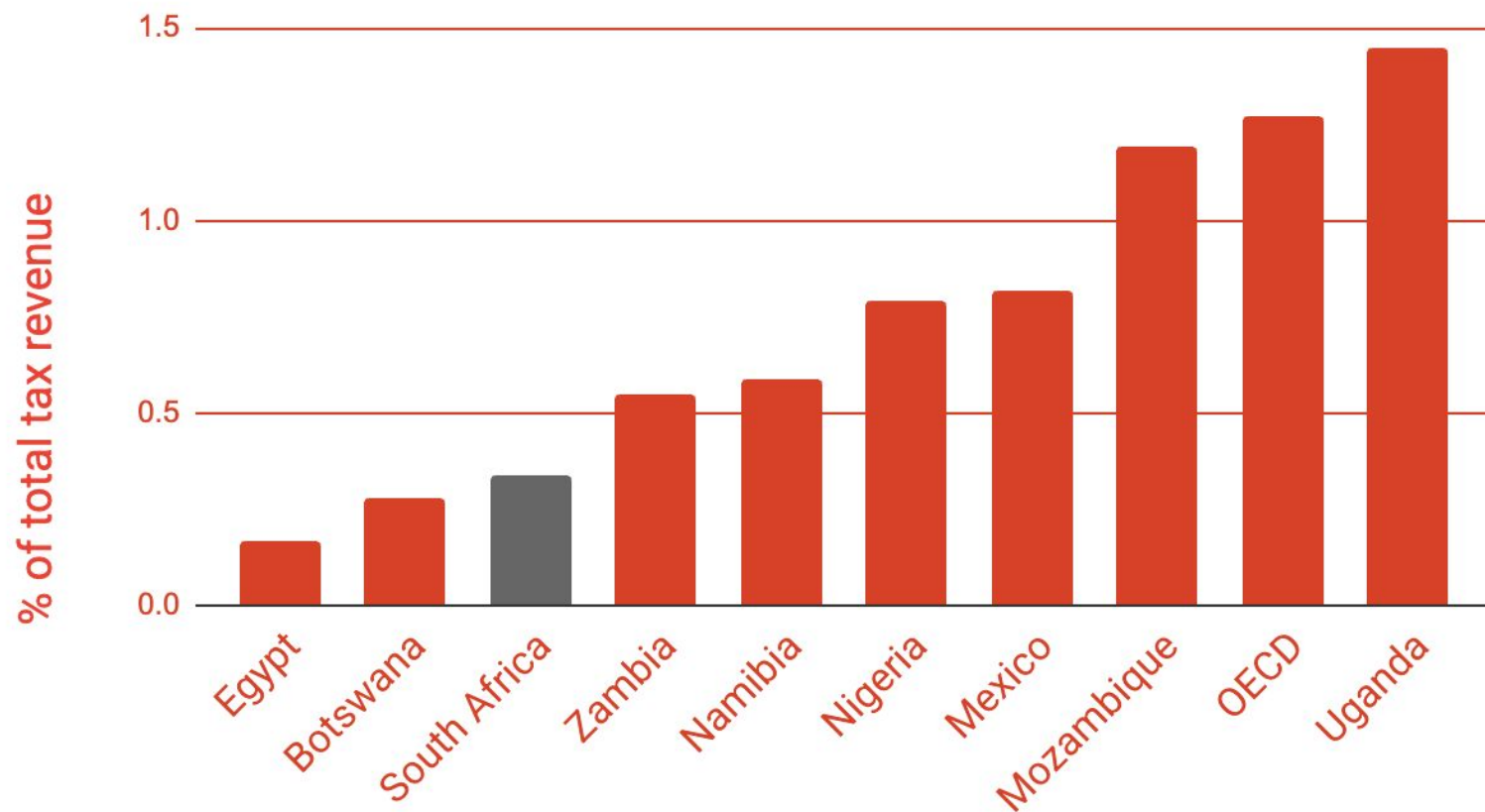
60% to 65% of trusts
are not registered
with SARS and pay
no tax!

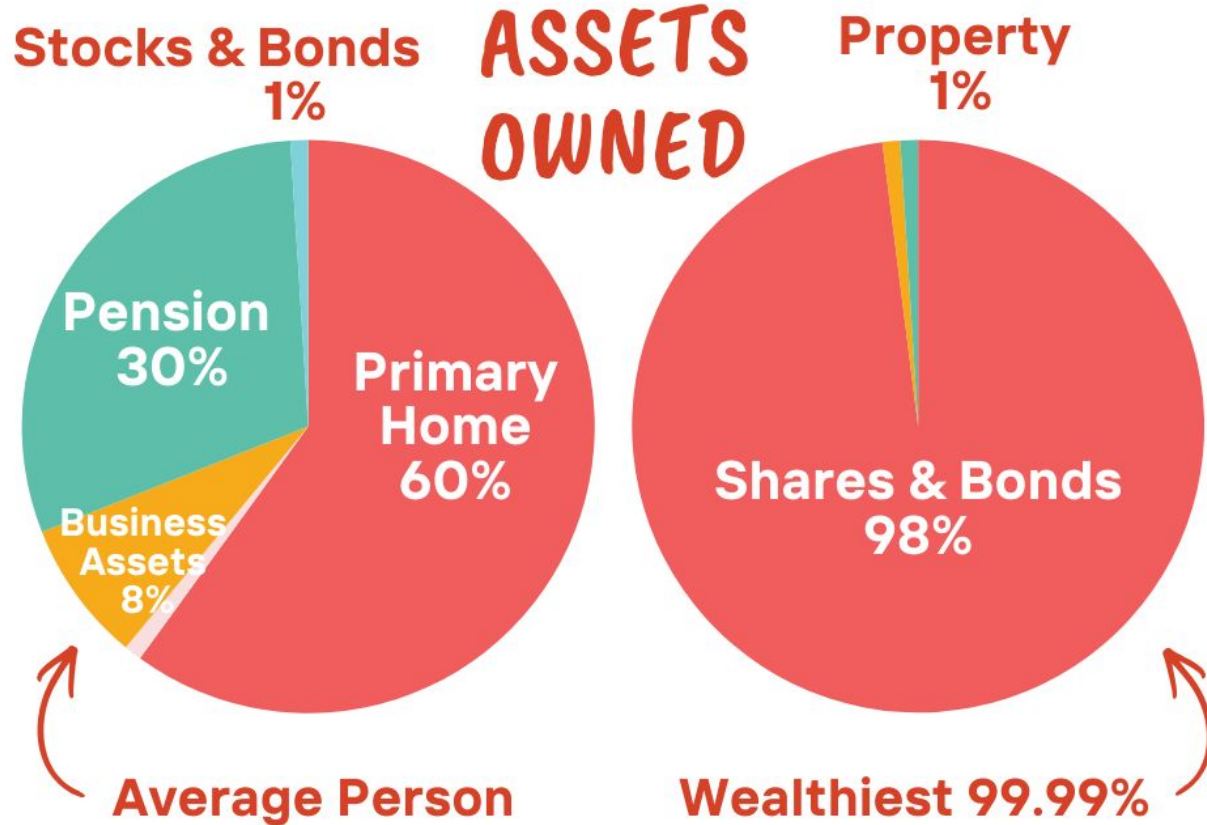


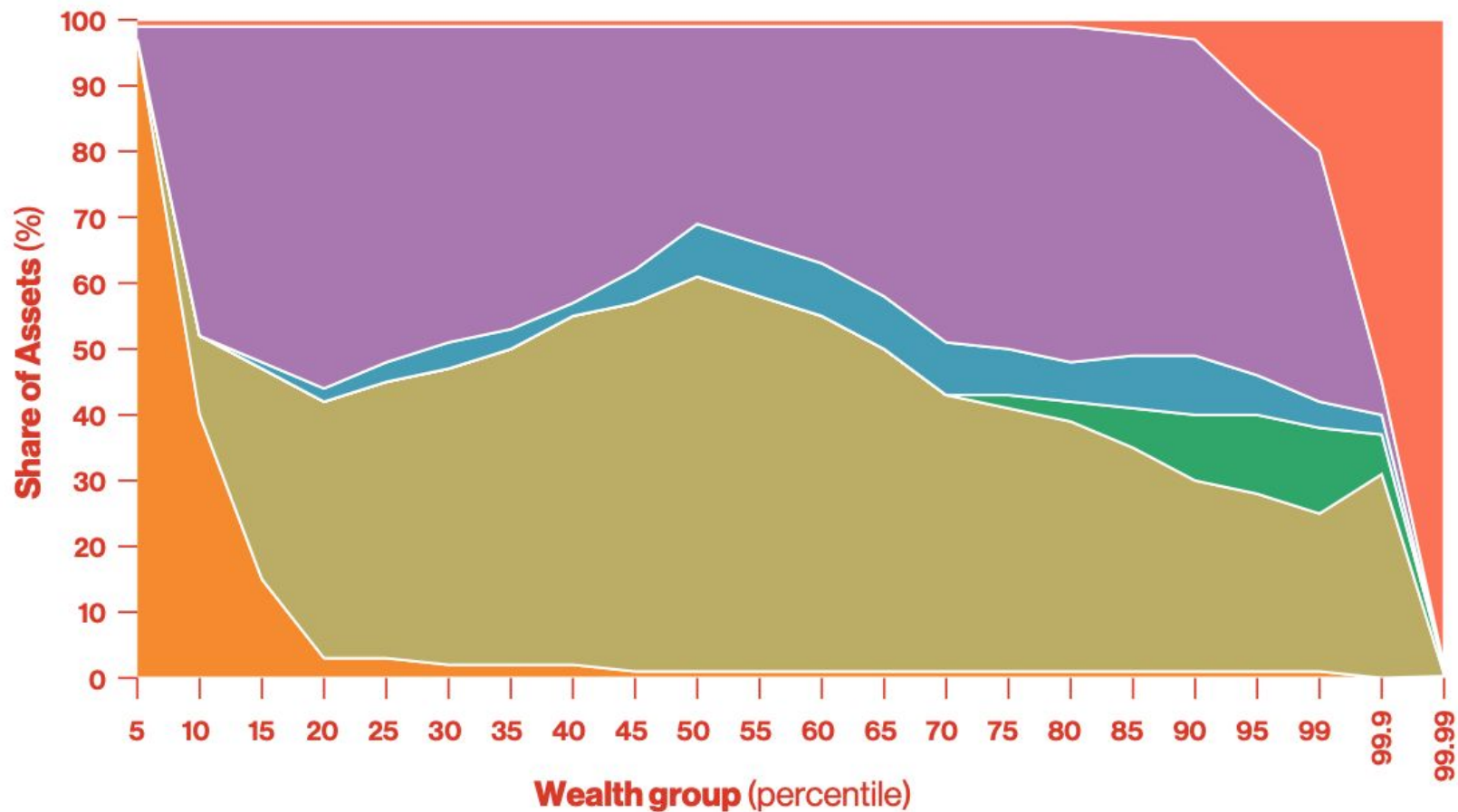
FTTs can discourage
excessive short-
term financial
speculation.



Taxes on financial and capital transactions, 2022







■ Currency, notes & coins

■ Owner-occupied housing

■ Tenant-occupied housing

■ Business assets

■ Pension/life insurance

■ Bonds and stocks



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