UNIVERSITY EXAMINATIONS

UNIVERSITEITSEKSAMENS

UNISA university of south africa

TAX3702

May/June 2014

TAXATION OF INDIVIDUALS

Duration 2 Hours

100 Marks

EXAMINATION PANEL AS APPOINTED BY THE DEPARTMENT

Use of a non-programmable pocket calculator is permissible

Closed book examination

This examination question paper remains the property of the University of South Africa and may not be removed from the examination venue

This paper consists of eight (8) pages, plus schedules (pp i - xi)

IMPORTANT INSTRUCTIONS

Assumptions

1. **All amounts exclude VAT unless stated otherwise.**
2. **All persons mentioned are residents of the Republic unless stated otherwise.**

Regarding the answering of this paper

1 This paper consists of five (5) questions
2 All questions must be answered
3 Each question must be commenced on a new (separate) page
4 **All workings, where applicable, must be shown. Where an amount is subject to a limitation, clearly indicate the application of the limitation. Where any item is exempt from tax or not allowable as a deduction, this must be indicated and a brief reason provided. All amounts must be rounded to the nearest Rand.**
5 Please complete the cover page of the answer book in full
6 You are reminded that answers may **NOT** be written in pencil
7 Principle errors will be marked negatively
8 Proposed timetable **(try as far as possible not to deviate from this timetable):**

Question	Subject	Marks	Minutes
1	Taxable income	35	42
2	Employees' tax and provisional tax	21	25
3	Capital gains tax	16	19
4	Donations tax and estate duty	18	22
5	Gross income	10	12
	TOTAL	**100**	**120**

QUESTION 1 (35 marks, 42 minutes)

Simon (60 years old) was employed, until the date of his retirement on 30 November 2013, as a senior projects manager at a manufacturing company He is married out of community of property and has two adult children He supplies you with the following information relating to the 2014 year of assessment

	Notes	R
Income/benefits		
Total salary received up to date of retirement		270 000
Use of company car	1	?
Use of tablet computer	2	?
Cell phone allowance	3	1 800
Pension income received post-retirement		63 000
Pension fund lump sum benefit	4	700 000
Foreign interest		7 000
Local interest		28 000
Reimbursive allowance	5	3 000
Expenses/contributions		
Medical expenses	6	21 000
Pension fund contributions		22 000

Notes:

1 Use of company car

Simon received the use of a company car from 1 March 2013 until the date of his retirement The company originally purchased the vehicle on 1 May 2011 at a cost of R230 000 (VAT exclusive) The vehicle was not subject to a maintenance plan and Simon was responsible for all fuel and maintenance costs Simon's logbook indicated that he used the vehicle to travel a total of 7 000 kilometres during the period Private travel constitutes 30% of the total distance travelled He also kept accurate record of his expenses Total fuel expenditure amounted to R6 800 and vehicle repairs amounted to R3 500

2 Use of tablet computer

Simon also received the use, from 1 March 2013 until the date of his retirement, of a tablet computer that his employer leased from an external supplier Total lease payments to the supplier amounted to R2 800 for the period that Simon received the right of use

The tablet was used mainly for private purposes but Simon could prove that 25% of his usage was work related The market value of the tablet, at the date that Simon was granted the right of use, was R6 300

3 Cell phone allowance

Simon occasionally used his personal cell phone to make work related calls His employer accordingly paid him a cell phone allowance amounting to R1 800 up to the date of his retirement. Simon kept a record of his business calls, which amounted to R700 for the period

QUESTION 1 (continued)

4 Pension fund lump sum benefit

Simon was paid out a pension fund lump sum of R700 000 on retirement He decided to transfer R120 000 of that amount to a pension preservation fund

He had previously received a retirement annuity fund lump sum, amounting to R380 000, during the 2013 year of assessment

5 Reimbursive allowance

During the period that Simon was employed, he was occasionally instructed by his employer to entertain various clients He had to keep an account, and provide proof of these expenses All such expenditure (amounting to R3 000) was re-imbursed by his employer

6 Medical expenses

Simon's medical expenses for the 2014 year of assessment are made up as follows

	R
Medical aid contributions	17 000
Qualifying medical expenses not covered by the medical aid fund	4 000
	21 000

In addition to the above amounts, Simon's employer also contributed to the medical aid fund on his behalf His employer contributed an amount of R11 000 during the period of his employment and continued to contribute after his retirement (an amount of R3 500)

Simon's wife is his only dependant on the medical fund Neither he nor his wife has a disability as defined

REQUIRED:	MARKS
a) Calculate Simon's net normal tax (lump sums excluded) for the 2014 year of assessment	**28**
b) Calculate the tax payable on the pension fund lump sum that Simon received during the 2014 year of assessment	**7**

QUESTION 2 (21 marks, 25 minutes)

Barry (37 years old and unmarried) is employed on a permanent half-day basis as an accountant at Resprop, a company that leases residential property During the portion of the day that he does not work at Resprop, he runs his own accounting practice, Barry's Accounting Services

Below are details of Barry's income, benefits and expenses for the year of assessment ended 28 February 2014

	Notes	R
Income/allowances/benefits		
From Resprop		
Salary 1 March 2013 to 28 February 2014 (retirement funding income)		216 000
Annual bonus received December 2013 (non-retirement funding income)		18 000
Travel allowance	1	12 000
From Barry's Accounting Services		
Taxable income from services to clients	2	150 000
Other income		
Foreign dividends	3	8 000
Expenses		
Taken into account by Resprop		
Contribution to medical aid fund	4	24 000
Medical expenses not covered by the medical aid fund	4	2 000
Pension fund contributions	5	17 280

Notes:

1 Travel allowance

Barry is required to resolve financial matters with clients and needs to travel to them From 1 September 2013 he received a travel allowance of R2 000 per month His motor vehicle cost R180 000 (excluding VAT) He kept an accurate logbook of the distance he travelled during the period He travelled 6 000km for private purposes and 4 000km for business purposes for the period Barry did not keep accurate records of his actual expenses

2 Taxable income from services to clients

Barry practices as an accountant and tax advisor during the afternoons, independently from his employment at Resprop He earned taxable income of R150 000 from accounting and tax services he provided to his clients, for the 2014 year of assessment You may assume that this figure has been calculated correctly

3 Foreign dividend

Barry received foreign dividends of R8 000 from foreign equity unit trusts

QUESTION 2 (continued)

4 Medical expenses

Barry contributed R24 000 during the 2014 year of assessment to a medical aid fund He has no dependants and has no disability as defined During December 2013, he also paid for other qualifying medical expenses, not covered by his medical aid, amounting to R2 000

5 Pension fund contributions

Barry contributed R17 280 to Resprop's pension fund for the 2014 year of assessment Resprop also contributed R17 280 to the pension fund, in addition to Barry's contributions

6 Provisional tax

Barry is registered as a provisional taxpayer as well

Relevant information regarding the previous two years of assessment, is as follows

	2012 year of assessment	2013 year of assessment
Taxable income	R275 000	R320 000
Taxable capital gain included in taxable income above	R15 000	Rnil
Date of assessment	30 September 2012	18 August 2013

REQUIRED:	MARKS
(a) Calculate the employees' tax that should have been deducted by Resprop for the 2014 year of assessment	13
(b) Calculate Barry's first provisional tax payment he would have made for the 2014 year of assessment, by using your answer in (a) as well as other relevant information in the question Assume the employees' tax was deducted evenly throughout the year of assessment Give brief reasons and explanations for selecting the basic amount in your calculations	8

QUESTION 3 (16 marks, 19 minutes)

Ayanda Radebe, a pre-school teacher, is 34 years old and married to Vusi out of community of property Ayanda owns and lives in a house situated on a two-hectare plot of land After the property was purchased, a separate building for a crèche was also erected on the land Ayanda decided to dispose of the plot of land, the house and the crèche, in order for her and Vusi to move closer to the city

Ayanda was approached by a property developer that wanted to erect a warehouse on the plot of land The property developer will demolish the house and the crèche and erect the warehouse on the entire plot of land

Ayanda purchased the plot of land and house in August 1997 She paid R300 000 for the house and R500 000 for the plot of land

Ayanda had the crèche erected during 2003 The crèche was built at a cost of R600 000 and she used it for business purposes The crèche was completed and brought into use on 1 October 2003 The crèche space comprises 20% of the entire property and was utilised up to the date of sale

During 2007, a severe hailstorm caused extensive damage to the crèche A section of the roof and some of the windows had to be replaced at a cost of R200 000 Ayanda received R150 000 from the company through which she was insured, as settlement of the claim for damages

Ayanda's outstanding home loan owing to the bank, was R350 000 on the date of disposal

Additional information relating to 1 October 2001

	Entire property R
Time apportionment base cost	850 000
Market value	825 000

The entire property was sold for R4 000 000 on 30 September 2013 Commission of 6% on the selling price has to be paid to the estate agent who found the buyer

REQUIRED:	MARKS
Calculate Ayanda's capital gain/(loss) for the year of assessment ended 28 February 2014 **Note:** Show all nil effects clearly, supported with brief reasons Ignore the annual exclusion and inclusion rate	**16**

QUESTION 4 **(18 marks, 22 minutes)**

Durıng 2013, Peter Dunn made the following donatıons

- On 15 May he donated R75 000 to his sister Gwen before an overseas trip that she was planning to take
- On 30 June he donated an amount of R100 000 to his cousin, Sylvia, when she graduated from College
- On 5 July, he bought a brand new motor vehicle for his son, Tegan, when he started a new job that required him to travel extensively to some rural areas in South Africa Peter paid R350 000 for the vehicle

A few months later, on 15 January 2014, Peter died suddenly of a heart attack in Durban, South Africa, where he resided

The executor in Peter's estate found the following

		R
1	A townhouse, situated in Mont Aqua, Durban The townhouse was Peter's primary residence and at the time of his death it was valued at	4 200 000
2	A studio flat in London that Peter bought five years ago as he regularly had to travel to the United Kingdom for business purposes At the time of his death the flat was valued at	2 980 000
3	Unlisted shares valued at R565 000 at the time of Peter's death The executor subsequently sold the shares for	535 000
4	An insurance policy that Peter's business partner, Alfred, had taken out on Peter's life to enable him to acquire Peter's interest should he die Peter did not pay any of the premiums on this policy The proceeds of this policy amounted to	2 600 000
5	Peter had taken out an insurance policy on his life that was ceded and paid out directly to his son, Tegan, born out of wedlock Peter paid premiums and interest of R56 000 on the policy	560 000
6	A painting by a famous artist, which Peter inherited from his late grandfather Shortly before his death, Peter signed a notarial contract, lending the painting to a state-owned museum for 30 years	325 000

Peter bequeathed the townhouse in Durban to his cousin Sylvia and the flat in London to his son, Tegan The residue was to be paid out to Peter's only sister, Gwen

Accept that the only liabilities in the estate are the Master's fees of R600 and executor's remuneration of R165 725.

REQUIRED:		**MARKS**
(a)	Calculate the donations tax that Peter paid on each of the donations that he made in 2013	**8**
(b)	Calculate the estate duty payable in the estate of Peter Dunn No apportionment of the duty is required Give reasons why certain assets will not be subject to estate duty	**10**

QUESTION 5 (10 marks, 12 minutes)

Edward is a sixty-year-old medical doctor based in Johannesburg For the past 35 years, he has owned a cottage situated on 20 hectares of bushveld property Edward and his family have always used the property purely for vacation purposes

Edward is planning to retire and, in order to enhance his financial position he decided to sell the entire property in 20 one-hectare plots of land Each buyer has the right and responsibility to build a house, in an approved architectural style, on their portion of land

Edward is responsible for supplying the necessary infrastructure (electricity, water, sanitation and roads) for each portion of land that he sells In order to meet his obligations, Edward employed the services of a land surveyor, an architect and a civil engineer He also contracted a local estate agent to sell the properties and, in addition, he set up a website to market the properties He also printed a variety of advertising promotional material for widespread distribution

Most of the plots of land were sold during the 2014 year of assessment Edward regards all the sale receipts as being of a capital nature, which should not be included in his gross income His stated intention, when originally acquiring the property, was to hold it long-term as a capital asset As far as he is concerned, the sale of the properties is merely an attempt to realise a capital asset to its best advantage

REQUIRED:	MARKS
Briefly discuss whether Edward's stated intention is, or is not, supported by the facts and circumstances surrounding the sale of the properties Ignore any capital gains tax implications Providing the gross income definition is not required.	10

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SCHEDULES

A. 2014 – TAX TABLES

(i) Persons (other than companies and trusts)

Taxable income	Rates of tax
Where the taxable income does not exceed R165 600	18 % of each R1 of the taxable income,
exceeds R165 600 but does not exceed R258 750	R29 808 plus 25% of the amount by which the taxable income exceeds R165 600,
exceeds R258 750 but does not exceed R358 110	R53 096 plus 30% of the amount by which the taxable income exceeds R258 750,
exceeds R358 110 but does not exceed R500 940	R82 904 plus 35% of the amount by which the taxable income exceeds R358 110,
exceeds R500 940 but does not exceed R638 600	R132 894 plus 38% of the amount by which the taxable income exceeds R500 940,
exceeds R638 600	R185 205 plus 40% of the amount by which the taxable income exceeds R638 600

(ii) Trusts (other than special trusts)

40 per cent of each R1of the taxable income

(iii) Tax on retirement lump sum benefits (or death)

Taxable income from benefit	Rate of Tax
R0 – R315 000	0 per cent of taxable income
Exceeding R315 000 but not exceeding R630 000	R0 plus 18% of taxable income exceeding R315 000
Exceeding R630 000 but not exceeding R945 000	R56 700 plus 27% of taxable income exceeding R630 000
Exceeding R945 000	R141 750 plus 36% of taxable income exceeding R945 000

(iv) Tax on retirement lump sum withdrawal benefits (pre-retirement)

Taxable income from benefit	Rate of Tax
R0 – R22 500	0 per cent of the taxable income
Exceeding R22 500 but not exceeding R600 000	18% of taxable income exceeding R22 500
Exceeding R600 000 but not exceeding R900 000	R103 950 plus 27% of taxable income exceeding R600 000
Exceeding R900 000	R184 950 plus 36% of taxable income exceeding R900 000

B FRINGE BENEFIT TABLES

(i) Employee–owned vehicles (section 8(1))

SCALE OF VALUES

Where the value of the vehicle	Fixed cost R	Fuel cost c	Maintenance cost c
does not exceed R60 000	19 310	81,4	26,2
exceeds R 60 000 but does not exceed R120 000	38 333	86,1	29,5
exceeds R120 000 but does not exceed R180 000	52 033	90,8	32,8
exceeds R180 000 but does not exceed R240 000	65 667	98,7	39,4
exceeds R240 000 but does not exceed R300 000	78 192	113,6	46,3
exceeds R300 000 but does not exceed R360 000	90 668	130,3	54,4
exceeds R360 000 but does not exceed R420 000	104 374	134,7	67,7
exceeds R420 000 but does not exceed R480 000	118 078	147,7	70,5
exceeds R480 000	118 078	147,7	70,5

(ii) Employer owned vehicles (Paragraph 7(4) of the Seventh Schedule)

Scale of values

Value of private use **per month**, vehicle not subject to maintenance plan = 3,5% x determined value

Value of private use **per month**, vehicle subject to maintenance plan = 3 25% x determined value

C. REBATES

Persons under 65	R12 080
Persons 65and under 75 (R12 080 + R6 750)	R18 830
Persons 75and over (R12 080 + R6 750 + R2 250)	R21 080

D. FORMULAE

Section 10A (purchased annuity)

$$Y = A/B \times C$$

Y = the capital element to be calculated
A = the total cash price payable by the purchaser to the insurance company in terms of the annuity contract
B = the sum of all the expected returns over the term of the contract, and
C = the total receipts during the current year of assessment

Second Schedule

Formula C

$$A = \frac{B}{C} \times D$$

A = the portion subject to tax that must be calculated
B = the total completed years of service from 1 March 1998
C = the total completed years of service that are recognised as pension funding
D = the lump sum that is payable

E. EXTRACT FROM THE INCOME TAX ACT (ACT 58 OF 1962, AS AMENDED) – EIGHTH SCHEDULE

25. Determination of base cost of pre–valuation date assets. – The base cost of a pre-valuation date asset (other than an identical asset in respect of which paragraph 32 (3A) has been applied), is the sum of the valuation date value of that asset, as determined in terms of paragraph 26, 27 or 28 and the expendi ture allowable in terms of paragraph 20 incurred on or after the valuation date in respect of that asset

26. Valuation date value where proceeds exceed expenditure or where expenditure in respect of an asset cannot be determined. – (1) Where the proceeds from the disposal of a pre-valuation date asset (other than an asset contemplated in paragraph 28 or in respect of which paragraph 32 (3A) has been applied) exceed the expenditure allowable in terms of paragraph 20 incurred before, on and after the valuation date in respect of that asset, the person who disposed of that asset must, subject to sub-paragraph (3), adopt any of the following as the valuation date value of that asset–

(a) the market value of the asset on the valuation date as contemplated in paragraph 29,

(b) 20 per cent of the proceeds from disposal of the asset, after deducting from those proceeds an amount equal to the expenditure allowable in terms of paragraph 20 incurred on or after the valuation date, or

(c) the time-apportionment base cost of the asset as contemplated in paragraph 30

(2) Where the expenditure incurred before valuation date in respect of a pre-valuation date asset cannot be determined by the person who disposed of that asset or the Commissioner, that person must adopt any of the following as the valuation date value of that asset–

(a) the market value of the asset on the valuation date as contemplated in paragraph 29, or

(b) 20 per cent of the proceeds from disposal of the asset, after deducting from those proceeds an amount equal to the expenditure allowable in terms of paragraph 20 incurred on or after the valuation date

(3) Where a person has adopted the market value as the valuation date value of an asset, as contem-plated in subparagraph (1) (a), and the proceeds from the disposal of that asset do not exceed that market value, that person must substitute as the valuation date value of that asset, those proceeds less the expenditure allowable in terms of paragraph 20 incurred on or after the valuation date in respect of that asset

27. Valuation date value where proceeds do not exceed expenditure. – (1) Subject to subparagraph (2), where the proceeds from the disposal of a pre-valuation date asset do not exceed the expenditure allowable in terms of paragraph 20 incurred both before and after the valuation date in respect of that asset, the valuation date value of that asset must be determined in terms of this paragraph

(2) This paragraph does not apply in respect of any asset contemplated in paragraph 28 or in respect of which paragraph 32 (3A) has been applied

(3) Where a person has determined the market value of an asset on the valuation date, as contemplated in paragraph 29, or the market value of an asset has been published in terms of that paragraph, and–

(a) the expenditure allowable in terms of paragraph 20 incurred before the valuation date in respect of that asset–

(i) is equal to or exceeds the proceeds from the disposal of that asset, and
(ii) exceeds the market value of that asset on valuation date,

is the valuation date value of that asset must the higher of–

(aa) that market value, or
(bb) those proceeds less the expenditure allowable in terms of paragraph 20 incurred on or after the valuation date in respect of that asset, or

(b) the provisions of item (a) do not apply, the valuation date value of that asset must be the lower of–

(i) that market value, or
(ii) the time-apportionment base cost of that asset as contemplated in paragraph 30

(4) Where the provisions of subparagraph (3) do not apply, the valuation date value of that asset is the time-apportionment base cost of that asset, as contemplated in paragraph 30

F. INCOME TAX MONETARY THRESHOLDS SUBJECT TO PERIODIC LEGISLATIVE CHANGE:

Description	Reference to Income Tax Act, 1962	Monetary amount
General savings thresholds		
Broad–based employee share schemes: Employees can receive tax–exempt shares if the shares are part of a broad–based employee share plan Companies can also deduct shares issued under the plan		
Maximum exemption for shares received by employees	The definition of "qualifying equity share" in section 8B(3)	R50 000
Maximum deduction for shares issued by the employer	The proviso to section 11(*l*A)	R10 000
Exemption for interest and certain dividends:		
In respect of persons 65 years or older, exemption for interest from a source within the Republic which are not otherwise exempt	Section 10(1)(*i*)(i)	R34 500
In respect of persons 65 years, exemption for interest from a source within the Republic which are not otherwise exempt	Section 10(1)(*i*)(ii)	R23 800
Annual donations tax exemption:		
Exemption for donations made by entities	Section 56(2)(*a*) and the proviso thereto	R10 000
Exemption for donations made by individuals	Section 56(2)(*b*)	R100 000
Capital gains exclusions:		
Annual exclusion for individuals and special trusts	Paragraph 5(1) of Eighth schedule	R30 000
Exclusion on death	Paragraph 5(2) of Eighth schedule	R300 000
Exclusion for the disposal of a primary residence	Paragraph 45(1)(*a*) of Eighth Schedule	R2 million
Exclusion in respect of disposal of primary residence (based on amount of proceeds on disposal)	Paragraph 45(1)(*b*) of Eighth Schedule	R2 million
Maximum market value of all assets allowed within the small business definition on disposal when person over 55	Definition of "small business" in paragraph 57(1) of Eighth Schedule	R10 million
Exclusion amount on disposal of small business when person over 55	Paragraph 57(3) of Eighth schedule	R1 800 000

Description	Reference to Income Tax Act, 1962	Monetary amount
Retirement savings thresholds:		
Deductible retirement fund contributions: Pension fund and retirement annuity fund members may deduct their contributions subject to certain percentage or monetary ceilings		
Pension fund monetary ceiling for contributions	Proviso to section 11(*k*)(i)	R1 750
Pension fund monetary ceiling for arrear contributions	Paragraph (*aa*) of the proviso to section 11(*k*)(ii)	R1 800
Retirement annuity fund monetary ceiling for contributions (if also a member of a pension fund)	Section 11(*n*)(*aa*)(B)	R3 500
Retirement annuity fund ceiling for contributions (if not a member of a pension fund)	Section 11(*n*)(*aa*)(C)	R1 750
Retirement annuity fund ceiling for arrear contributions	Section 11(*n*)(*bb*)	R1 800
Permissible lump sum withdrawals upon retirement. Pension fund and retirement annuity fund members may withdraw lump sums upon retirement		
Pension fund monetary amount for permissible lump sum withdrawals	Paragraph(ii)(dd) of the proviso to paragraph (c) of the definition of "pension fund" in section 1	R50 000
Retirement annuity fund monetary amount for permissible lump sum withdrawals	Paragraph (*b*)(*ii*) of the proviso to the definition of "retirement annuity fund" in section 1	R50 000
Deductible business expenses for individuals:		
Car allowance: Individuals receive an annual vehicle allowance to defray business travel expenses, including deemed depreciation on the vehicle		
Ceiling on vehicle cost	Section 8(1)(*b*)(*iii*A)(*bb*)(A)	R480 000
Ceiling on debt relating to vehicle cost	Section 8(1)(*b*)(*iii*A)(*bb*)(B)	R480 000
Employment-related fringe benefits		
Exempt scholarships and bursaries: Employers can provide exempt scholarships and bursaries to employees and their relatives, subject to annual monetary ceilings		
Annual ceiling for employees	Paragraph (*ii*)(*aa*) of the proviso to section 10(1)(*q*)	R200 000
Annual ceiling for employee relatives	Paragraph (*ii*)(*bb*) of the proviso to section 10(1)(*q*)	R30 000 & R10 000
Awards for bravery and long service:	Paragraphs (a) and (b) of the further proviso to paragraph 5(2) of Seventh Schedule	R5 000
Employee accommodation:	Paragraph 9(3)(a)(ii) of Seventh Schedule	R67 111
Exemption for expatriate employees:	Paragraph 9(7B)(ii) of Seventh Schedule	R25 000
Exemption for *de minimus* employee loans:	Paragraph 11(4)(a) of Seventh Schedule	R3 000

Description	Reference to Income Tax Act, 1962	Monetary amount
Administration		
Investment income exempt from provisional tax:		
In the case of a natural person below age 65	Paragraph 18(1)(c)(ii) of Fourth Schedule	R20 000
In the case of natural person over age 65	Paragraph 18(1)(c)(i) of Fourth Schedule	R120 000
SITE threshold	Items (a) and (b) of paragraph 11B(2) and items (a), (b)(ii) and (b)(iii) of paragraph 11B(3) of Fourth Schedule	R60 000
Threshold in respect of automatic appeal to High Court		R50 million

G. DECEASED ESTATES

(i) EXECUTOR'S REMUNERATION

The remuneration of executors referred to in Section 51(1) (b) of the Act shall be assessed according to the following tariff

(a) On the gross value of the assets 3,5 per cent,
(b) On income accrued and collected after the death of the deceased 6,0 per cent

(ii) MASTER'S FEES (Deceased estates)

On all estates of deceased persons or estates under curatorship (except estates under the custody of an interim curator pending the appointment of an executor) the gross value of which –

		R
(a)	is R15 000 or more, but less than R17 000	42,00
(b)	is R17 000 or more, for each complete further R2 000 with which the gross value exceeds R17 0000, a further.	6,00
	subject to a maximum fee of	600,00

Where the deceased was one of two spouses married in community of property the said fees shall be assessed upon the gross assets of the joint estate

(iii) RATE OF ESTATE DUTY

The rate of estate duty shall be 20 per cent of the dutiable amount of the estate

Provided that where duty becomes payable upon the value of any movable or immovable property or on a value determined by reference to the value of any movable or immovable property, and duty has, upon the death of any person (hereinafter referred to as the first-dying person), who died within ten years prior to the death of the deceased, become payable upon the value of that movable or immovable property or upon a value determined by reference to the value of that movable or immovable property (or any moveable or immovable property for which the Commissioner is satisfied that that movable or immovable property has been substituted), the duty attributable to the value of that movable or immovable property or, as the case may be, the value determined by reference to the value of that movable or immovable property, but not exceeding (in either case) an amount equal to the value on which duty has become payable on the death of the first-dying person, shall be reduced by a percentage according to the following scale

if the deceased dies within two years of the death of the first-dying person	100 per cent
if the deceased dies more than two years but not more than four years after the death of the first-dying person	80 per cent
if the deceased dies more than four years but not more than six years after the death of the first-dying person	60 per cent
if the deceased dies more than six years but not more than eight years after the death of the first-dying person	40 per cent
if the deceased dies more than eight years but not more than ten years after the death of the first-dying person	20 per cent

subject to a maximum reduction equal to so much of the duty previously payable upon the death of the first-dying person as is attributable to the value of that movable or immovable property or, as the case may be, to an amount equal to the value determined by reference to the value of that movable or immovable property, and as is proved to the satisfaction of the Commissioner to have been borne by the deceased

TABLE A

(IV) THE EXPECTATION OF LIFE AND THE PRESENT VALUE OF R1 PER ANNUM FOR LIFE CAPITALISED AT 12 PER CENT OVER THE EXPECTATION OF LIFE OF MALES AND FEMALES OF VARIOUS AGES

Age	Expectation of life		Present value of R1 per annum for life		Age
	Male	Female	Male	Female	
0	64,75	72,36	8,237 91	8,331 05	0
1	65,37	72,74	8,328 28	8,331 14	1
2	64,50	71,87	8,327 76	8,330 91	2
3	63,57	70,93	8,327 14	8,330 64	3
4	62,63	69,98	8,326 44	8,330 33	4
5	61,69	69,02	8,325 67	8,329 99	5
6	60,74	68,06	8,324 80	8,329 61	6
7	59,78	67,09	8,323 81	8,329 81	7
8	58,81	66,11	8,322 71	8,328 69	8
9	57,83	65,14	8,321 46	8,328 15	9
10	56,85	64,15	8,320 07	8,327 53	10
11	55,86	63,16	8,318 49	8,326 84	11
12	54,87	62,18	8,316 73	8,326 08	12
13	53,90	61,19	8,314 80	8,325 22	13
14	52,93	60,21	8,312 65	8,324 27	14
15	51,98	59,23	8,310 29	8,323 20	15
16	51,04	58,26	8,307 70	8,322 03	16
17	50,12	57,29	8,304 89	8,320 71	17
18	49,21	56,33	8,301 80	8,319 26	18
19	48,31	55,37	8,298 41	8,317 64	19
20	47,42	54,41	8,294 71	8,315 84	20
21	46,53	53,45	8,290 61	8,313 83	21
22	45,65	52,50	8,286 13	8,311 61	22
23	44,77	51,54	8,281 17	8,309 12	23
24	43,88	50,58	8,275 64	8,306 33	24
25	43,00	49,63	8,269 59	8,303 26	25
26	42,10	48,67	8,262 74	8,299 81	26
27	41,20	47,71	8,255 16	8,295 95	27
28	40,30	46,76	8,246 77	8,291 71	28
29	39,39	45,81	8,237 37	8,286 97	29
30	38,48	44,86	8,226 94	8,281 70	30
31	37,57	43,91	8,215 38	8,275 83	31
32	36,66	42,96	8,202 57	8,269 30	32
33	35,75	42,02	8,188 36	8,262 10	33
34	34,84	41,07	8,172 62	8,254 00	34
35	33,94	40,13	8,155 36	8,245 09	35
36	33,05	39,19	8,136 47	8,235 17	36
37	32,16	38,26	8,115 58	8,224 26	37
38	31,28	37,32	8,092 74	8,211 99	38
39	30,41	36,40	8,067 81	8,198 66	39
40	29,54	35,48	8,040 30	8,183 86	40
41	28,69	34,57	8,010 67	8,167 62	41
42	27,85	33,67	7,978 44	8,149 83	42
43	27,02	32,77	7,943 44	8,130 12	43
44	26,20	31,89	7,905 47	8,108 81	44
45	25,38	31,01	7,863 80	8,085 27	45

TABLE A (continued)

Age	Expectation of life		Present value of R1 per annum for life		Age
	Male	Female	Male	Female	
46	24,58	30,14	7,819 24	8,059 56	46
47	23,79	29,27	7,771 09	8,031 19	47
48	23,00	28,41	7,718 43	8,000 26	48
49	22,23	27,55	7,662 36	7,966 17	49
50	21,47	26,71	7,602 01	7,929 50	50
51	20,72	25,88	7,537 13	7,889 67	51
52	19,98	25,06	7,467 48	7,846 46	52
53	19,26	24,25	7,393 87	7,799 65	53
54	18,56	23,44	7,316 31	7,748 34	54
55	17,86	22,65	7,232 34	7,693 55	55
56	17,18	21,86	7,144 14	7,633 63	56
57	16,52	21,08	7,051 78	7,568 96	57
58	15,86	20,31	6,952 25	7,499 27	58
59	15,23	19,54	6,850 04	7,423 21	59
60	14,61	18,78	6,742 06	7,341 35	60
61	14,01	18,04	6,630 10	7,254 57	61
62	13,42	17,30	6,512 32	7,160 20	62
63	12,86	16,58	6,393 01	7,060 46	63
64	12,31	15,88	6,268 22	6,955 37	64
65	11,77	15,18	6,137 89	6,841 61	65
66	11,26	14,51	6,007 26	6,723 93	66
67	10,76	13,85	5,871 65	6,598 93	67
68	10,28	13,20	5,734 03	6,466 35	68
69	9,81	12,57	5,591 82	6,328 18	69
70	9,37	11,96	5,451 65	6,184 66	70
71	8,94	11,37	5,307 75	6,036 07	71
72	8,54	10,80	6,167 44	5,882 78	72
73	8,15	10,24	5,024 37	5,722 22	73
74	7,77	9,70	4,878 76	5,557 43	74
75	7,41	9,18	4,734 90	5,388 93	75
76	7,07	8,68	4,593 54	5,217 27	76
77	6,73	8,21	4,446 63	5,046 79	77
78	6,41	7,75	4,303 09	4,870 92	78
79	6,10	7,31	4,158 98	4,693 89	79
80	5,82	6,89	4,024 40	4,516 47	80
81	5,55	6,50	3,890 51	4,343 99	81
82	5,31	6,13	3,768 02	4,173 15	82
83	5,09	5,78	3,652 76	4,004 82	83
84	4,89	5,45	3,545 46	3,839 88	84
85	4,72	5,14	3,452 32	3,679 21	85
86	4,57	4,85	3,368 64	3,523 71	86
87	4,45	4,58	3,300 66	3,374 26	87
88	4,36	4,33	3,249 07	3,231 75	88
89	4,32	4,11	3,225 97	3,102 96	89
90	4,30	3,92	3,214 38	2,989 12	90

TABLE B

PRESENT VALUE OF R1 PER ANNUM CAPITALISED AT 12 PER CENT OVER FIXED PERIODS

Years	Amount	Years	Amount	Years	Amount	Years	Amount
	R		R		R		R
1	0,892 9	26	7,895 7	51	8,307 6	76	8,331 8
2	1,690 0	27	7,942 6	52	8,310 4	77	8,332 0
3	2,401 8	28	7,984 4	53	8,312 8	78	8,332 1
4	3,037 4	29	8,021 8	54	8,315 0	79	8,332 3
5	3,604 8	30	8,055 2	55	8,317 0	80	8,332 4
6	4,111 4	31	8,085 0	56	8,318 7	81	8,332 5
7	4,563 8	32	8,111 6	57	8,320 3	82	8,332 6
8	4,967 6	33	8,135 4	58	8,321 7	83	8,332 6
9	5,328 2	34	8,156 6	59	8,322 9	84	8,332 7
10	5,650 2	35	8,175 5	60	8,324 0	85	8,332 8
11	5,937 7	36	8,192 4	61	8,325 0	86	8,332 8
12	6,194 4	37	8,207 5	62	8,325 9	87	8,332 9
13	6,423 6	38	8,221 0	63	8,326 7	88	8,333 0
14	6,628 2	39	8,233 0	64	8,327 4	89	8,333 0
15	6,810 9	40	8,243 8	65	8,328 1	90	8,333 0
16	6,974 0	41	8,253 4	66	8,328 6	91	8,333 1
17	7,119 6	42	8,261 9	67	8,329 1	92	8,333 1
18	7,249 7	43	8,269 6	68	8,329 6	93	8,333 1
19	7,365 8	44	8,276 4	69	8,330 0	94	8,333 1
20	7,469 4	45	8,282 5	70	8,330 3	95	8,333 2
21	7,562 0	46	8,288 0	71	8,330 7	96	8,333 2
22	7,644 6	47	8,292 8	72	8,331 0	97	8,333 2
23	7,718 4	48	8,297 2	73	8,331 2	98	8,333 2
24	7,784 3	49	8,301 0	74	8,331 4	99	8,333 2
25	7,843 1	50	8,304 5	75	8,331 6	100	8,333 2

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