



DYKES VAN HEERDEN GROUP OF COMPANIES  
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## **HIGHLIGHTS OF THE TAX CONSEQUENCES OF THE 2018 BUDGET SPEECH**

The South African Budget Speech took place in Parliament on 21 February 2018 as presented by Minister of Finance Malusi Gigaba.

The highlights of the budget speech and the proposed tax changes are as follows:

- Transfer duty remains unchanged. In our view this is favourable within the property market and will promote investment and growth in this sector.
- VAT will be increased from 14% to 15%.
- A higher estate duty tax rate of 25 per cent for estates greater than R30 million.
- Personal income tax has not been raised, however South Africans will be paying more for the fuel levy, sugary drinks and estate duty. A below inflation increase will be made to the personal income tax rebates and brackets, with greater relief for those in the lower income tax brackets.
- South Africans will be paying 52 cents more per litre for fuel from April. This increase will include a 22c/litre increase in the general fuel levy and a 30c/litre rise in the Road Accident Fund (RAF) levy.
- An increase in the excise duty rate on luxury goods from 7 per cent to 9 per cent.
- Increases in the alcohol and tobacco excise duties of between 6 and 10 per cent.
- Gigaba announced that the allocation for the phase-in period of fee-free higher education would amount to R57bn over the next three years, of which R12.4bn will go towards needy first-year students in 2018/19.

**This newsflash has been prepared for information purposes only and does not constitute legal advice, or a legal opinion, the practical application of the provisions of this newsflash will vary depending on the facts of each case.**

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