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INCOME TAX CALCULATION

Taxpayer name William Fowler
Year of assessment 2020
ID nr: 6301155149087

ITEM	SECTION REFERENCE	REASON FOR INCLUSION / EXCLUSION	CALCULATIONS	Normal income	Lump sum
GROSS INCOME					
Basic salary	Sect 1 Def of gross income par (c)	Amounts received for services rendered or in respect of any employment included in gross income		825 924	
Annual payment	Sect 1 Def of gross income par (c)	Amounts received for services rendered or in respect of any employment including voluntary amounts included in gross income		50 000	
Interest-free loan	Sect 1 Def of gross income par (i), Sch VII par 2(f), and 11	Cash equivalent of benefits determined ito Sch VII to be included in gross income		3 021	
Pension fund - employer	Sect 1 Def of gross income par (i), Sch VII par 2(l), and 12D	Value of contributions by employer to retirement fund to be included in gross income		61 946	
Retirement lump sum benefit	Sect 1 Def of gross income par (e), Sch II par 2	Retirement lump sum benefits included in gross income			150 000
Annuity	Sect 1 Def of gross income par (a)	Annuities included in gross income		18 000	
DEDUCTIONS					
Subsistence allowance	Sect 8(1)(a)(i)(bb)	Subsistence allowance to be included in taxable income excluding amount actually expended on meals and incidental costs		3000	
Subsistence allowance	Sect 8(1)(c)(ii)	Taxpayer deemed to have actually expended amounts on meals and incidental costs as provided for in Government Gazette	Less: 435 x 5= 2175	825	
Travel allowance	Sect 8(1)(a)(i)(aa)	Travel allowance to be included in taxable income		58 302	
Travel expenses	Sect 8(1)(b)(ii)	Deduction based on deemed cost	511.6 / 100 X (65 525km - 44 557km - 6 325km) = 74 914 Limited to allowance received of R58 302 - R58 302 = R0 72 983 x 100 / (65 525 - 44 557) =	-	
Fixed cost per km (cents)				348.1	
Fuel cost per km (cents)				116.0	
Maintenance cost per km (cents)				47.5	
				511.6	
Computer	Sect 11(a)	Capital expenses - not deductible		-	
Wear and tear on Computer	Sect 11(e), IN 47	Wear and tear deduction allowed on value of asset over three years	9 900 / 3	(3 300)	
Traffic fines	Sect 23(o)	Deduction of fines prohibited		-	

Home office expenses	Sect 23(b) (b)	Where a taxpayer earns employment income and does not mainly earn commission, the taxpayer will be able to claim a portion of the expense if his duties are mainly performed (i.e. at least 50% of his duties) at the domestic premises which is specifically equipped and used regularly and exclusively for purposes of performing these duties	R114 567 x 20%	(22 913)	
Taxable income - subtotal before rental income				933 502	150 000
Rental income profit	Sect 1 Def of gross income	Rental profit as per rental income statement		4 029	
Taxable income - subtotal				937 531	150 000
Retirement fund contributions deduction:	Sect 11F	No limitation - see calc below		(168 892)	
Current year contributions:					
Pension fund contributions				123 892	
Retirement annuity fund contributions		Sanlam IT3(f)		45 000	
				168 892	
Limited to the lesser of: R 350 000, or 27.5% of the greater of :					
Remuneration			(825 924 + 50 000 + (0.8 X 58 302) + 3 021 + 61 946) X 0.275 = 271 571,47		
Taxable income			937 531x 0.275 = 257 821,05		
TAXABLE INCOME				768 639	150 000
TAX					
On Retirement lump fund benefit					-
Normal tax				207 448.00	-
Less: Primary rebate	s6(2)	Taxpayer younger than 65 years	(768639- 708 310) x 0.41	24 735.07	
				(14 220.00)	
Less: Medical Scheme fees tax credit	S6A	Main member + 1 dependant x 12 months	R620 x 12	(7 440.00)	
Less: Additional medical expenses tax credit- (spouse is a person with a disability)	S6B	Contributions to medical scheme per certificate:		62 174.78	
		Less: 3 x Section 6A:		(22 320.00)	
		Excess:		39 854.78	
		Add: QME (as per medical certificate)		17 512.44	
				57 367.22	
		33,3% inclusion		(19 103.28)	
Less: PAYE			256 953.55	(256 953.55)	
PAYABLE / (REFUND)				(65 533.77)	-