

## BUDGET 2023: HIGHLIGHTS AND USEFUL LINKS FOR PAYROLLS

The Minister of Finance presented the 2023 Budget Review in Parliament on 22 February 2023.

The following documents and information are now available on the SARS website:

- 2024 Tax tables: <https://www.sars.gov.za/tax-rates/employers/tax-deduction-tables/>
- Medical fees tax credit: <https://www.sars.gov.za/tax-rates/medical-tax-credit-rates/>
- Budget Tax Guide: <https://www.sars.gov.za/wp-content/uploads/Docs/Budget/2023/Budget-2023-Tax-Guide.pdf>
- Budget documents: <https://www.sars.gov.za/about/sas-tax-and-customs-system/budget/>

## Statutory Rates of Tax: 2024 Year of Assessment (1 March 2023 — 28 February 2024)

The following tax rates, tax rebates and tax thresholds proposed by the Minister of Finance in his Budget speech come into effect on 1 March 2023.

### Statutory rates applicable to individuals

Taxable Income (R)	Rates of Tax (R)
0 — 237 100	18% of each R1
237 101 — 370 500	42 678 + 26% of the amount above 237 100
370 501 — 512 800	77 362 + 31% of the amount above 370 500
512 801 — 673 000	121 475 + 36% of the amount above 512 800
673 001 — 857 900	179 147 + 39% of the amount above 673 000
857 901 — 1 817 000	251 258 + 41% of the amount above 857 900
1 817 001 and above	644 489 + 45% of the amount above 1 817 000

### Tax rebates applicable to individuals

- Primary rebate R17 235
- Secondary rebate (for persons 65 years and older) R9 444
- Tertiary rebate (for person 75 years and older) R3 145

### Tax thresholds applicable to individuals

- Persons under 65 years R 95 750
- Persons 65 to 74 years old R148 217
- Persons 75 years and older R165 689

## Medical Scheme Contribution Tax Credit

The medical scheme tax credits that will be effective from 1 March 2023 are:

- R364 in respect of the taxpayer
- R364 for the first dependent
- R246 for each additional dependent

## Rate per Kilometer

The “Cost scale Table” for 2023/24 can be access via the following link:

<https://www.sars.gov.za/wp-content/uploads/Legal/SecLegis/Legal-LSec-IT-GN-2023-003-Budget-2023-Vehicle-cost-tables-3-March-2023.pdf>

The prescribed rate per kilometer has been increased from R4,18 per km to **R4,64** per km. This rate is applicable at the option of the recipient where no other form of compensation is received for business travel purposes.

## Subsistence Allowances and Advances

The daily amounts for overnight allowance in respect of travelling for business purposes (including at least one night away from home) in the Republic are:

- R522 per day for meals and incidental costs
- R161 for each day for incidental costs only

<https://www.sars.gov.za/wp-content/uploads/Legal/SecLegis/Legal-LSec-IT-GN-2023-002-Budget-2023-Subsistence-Allowances-Rates-Day-Overnight-Allowance-3-March-2023.pdf>

The daily amount for daily business trip reimbursements (not away from home for a night) is:

- R161.

<https://www.sars.gov.za/wp-content/uploads/Legal/SecLegis/Legal-LSec-IT-GN-2023-001-Budget-2023-Subsistence-Allowances-Rates-Day-Allowance-3-March-2023.pdf>

The Gazette Notice 268 GG 42258 which became effective on 1 March 2019 remains in force for daily expense amounts in respect of travelling outside the borders of the Republic:

<https://www.sars.gov.za/legal-counsel/secondary-legislation/income-tax-notice/income-tax-notice-2023/>

The Budget 2023 proposals to change the employment related tax legislation will be issued in a PAGSA Newsflash shortly.

Regards,

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