REPUBLIC OF SOUTH AFRICA

REPUBLIEK VAN SUID-AFRIKA

Government Gazette
Staatskoerant

Selling price • Verkoopprys
(GST excluded/AVB uitgesluit)
Local **50c** Plaaslik
Other countries **70c** Buitelands
Post free • Posvry

Registered at the post office as a Newspaper

As 'n Nuusblad by die Poskantoor Geregistreer

Vol. 286 PRETORIA, 14 APRIL 1989 No. 11831

PRESS STATEMENT

by the

Commissioner for Inland Revenue

REGARDING THE INCREASE IN THE "OFFICIAL RATE OF INTEREST" FOR FRINGE BENEFIT TAXATION PURPOSES

A taxable benefit accrues if a loan is granted to an employee and either no interest is payable by the employee or interest is payable by him at a rate less than the official rate of interest. The cash equivalent of the value of the taxable benefit in these circumstances is the amount the employee would have paid on the loan during the year of assessment if he had been obliged to pay interest at the official rate less the amount of interest (if any) he actually incurred during the year. At present the official rate of interest as defined in paragraph 1 of the Seventh Schedule to the Income Tax Act, 1962, is 13 per cent.

It is hereby notified for general information that in terms of a Government Notice published today, 14 April 1989, the Minister of Finance, Mr B. J. du Plessis MP, has increased the official rate of interest to 16 per cent with effect from 1 June 1989.

Issued by: The Commissioner for Inland Revenue, Cape Town

Enquiries: Mr R. P. van der Merwe
(012) 325-2500 (Extension 374)

14 April 1989.

337—A

PERSVERKLARING

deur die

Kommissaris van Binnelandse Inkomste

MET BETREKKING TOT DIE VERHOGING IN DIE "AMPTELIKE RENTEKOERS" VIR DIE DOELEINDES VAN BELASTING OP BYVOORDELE

'n Belasbare voordeel val toe indien 'n lening aan 'n werknemer toegestaan is en geen rente deur die werknemer betaalbaar is nie of rente daarop teen 'n koers laer as die amptelike rentekoers deur hom betaalbaar is. Die kontantekwivalent van die waarde van die belasbare voordeel is in hierdie omstandighede die bedrag wat die werknemer ten opsigte van die jaar van aanslag sou betaal het indien hy verplig was om rente teen die amptelike rentekoers te betaal, min die bedrag aan rente (indien enige) wat hy werklik gedurende die jaar aangegaan het. Tans is die amptelike rentekoers soos in paragraaf 1 van die Sewende Bylae by die Inkomstebelastingwet, 1962, omskryf, 13 persent.

Daar word hierby vir algemene inligting bekendgemaak dat ingevolge 'n Goewermentskennisgewing wat vandag, 14 April 1989, gepubliseer is, die Minister van Finansies, mnr. B. J. du Plessis LP, die amptelike rentekoers met ingang van 1 Junie 1989 na 16 persent verhoog het.

Uitgereik deur: Die Kommissaris van Binnelandse Inkomste, Kaapstad

Navrae: Mnr. R. P. van der Merwe
(012) 325-2500 (Uitbreiding 374)

14 April 1989.

PRESS STATEMENT

by the

Commissioner for Inland Revenue

FRINGE BENEFITS: VALUE TO BE PLACED FOR INCOME TAX PURPOSES ON THE PRIVATE USE OF COMPANY CARS

In Chapter 6 of its Report on the Tax Structure of the RSA the Margo Commission criticised the low value placed for income tax purposes on the private use of company cars and recommended that the valuation of such cars be adjusted annually until more realistic values are achieved. That recommendation was accepted in principle by the Government and with effect from 1 June 1988 the relevant scale of values was increased. The matter has recently been reviewed by the Tax Advisory Committee which recommended a further increase in the scale of values and the extension of the table to vehicles having a determined value in excess of R150 000. That recommendation having been accepted, it is hereby notified for general information that in terms of a Government Notice published today, 14 April 1989, the Minister of Finance, Mr B. J. du Plessis MP, has increased the relevant values as set out in the table published below. The new values will come into operation on 1 June 1989.

PERSVERKLARING

deur die
Kommissaris van Binnelandse Inkomste

BYVOORDELE: WAARDE WAT VIR DOELEINDES VAN INKOMSTEBELASTING OP DIE PRIVATE GEBRUIK VAN MAATSKAPPYMOTORS GEPLAAS WORD

In Hoofstuk 6 van sy Verslag oor die Belastingstruktuur van die RSA, het die Margo-kommissie die lae waarde wat vir inkomstebelastingdoeleindes op die private gebruik van maatskappymotors geplaas is, gekritiseer en aanbeveel dat die waarde van bedoelde motors jaarliks aangepas moet word totdat meer realistiese waardes bereik word. Daardie aanbeveling was in beginsel deur die Regering aanvaar en die tersaaklike waardeskaal was met ingang van 1 Junie 1988 verhoog. Die aangeleentheid is onlangs deur die Belastingadvieskomitee hersien, wat 'n verdere verhoging in die waardeskaal asook die uitbreiding van die tabel met betrekking tot motors met 'n bepaalde waarde van meer as R150 000, aanbeveel het. Op sterkte van die feit dat daardie aanbeveling aanvaar is, word dit hierby vir algemene inligting bekendgemaak dat ingevolge 'n Goewermentskennisgewing wat vandag, 14 April 1989, gepubliseer is, die Minister van Finansies, mnr. B. J. du Plessis LP, die betrokke waardes verhoog het soos in die tabel hieronder uiteengesit. Die nuwe waardes tree op 1 June 1989 in werking.

Determined value	Value of private use			
	Engine capacity			
	0– 1 600cc	1 601– 2 000cc	2 001– 3 000cc	Over 3 000cc
	R	R	R	R
R0– R20 000	173	212	252	291
R20 001– R25 000	199	238	278	317
R25 001– R30 000	225	265	305	344
R30 001– R35 000	252	291	331	370
R35 001– R40 000	278	317	358	397
R40 001– R45 000	305	344	384	423
R45 001– R50 000	331	370	411	450
R50 001– R60 000	384	423	463	503
R60 001– R70 000	437	476	516	555
R70 001– R80 000	490	529	569	608
R80 001– R90 000	543	582	622	661
R90 001–R100 000	596	635	675	714
R100 001–R110 000	649	688	728	767
R110 001–R120 000	702	740	781	820
R120 001–R130 000	754	794	834	873
R130 001–R140 000	807	846	887	926
R140 001–R150 000	860	899	940	979

Vasgestelde Waarde	Waarde van private gebruik			
	Masjienkapasiteit			
	0 – 1 600cc	1 601 – 2 000cc	2 001 – 3 000cc	Bo 3 000cc
	R	R	R	R
R0– R20 000	173	212	252	291
R20 001– R25 000	199	238	278	317
R25 001– R30 000	225	265	305	344
R30 001– R35 000	252	291	331	370
R35 001– R40 000	278	317	358	397
R40 001– R45 000	305	344	384	423
R45 001– R50 000	331	370	411	450

Vasgestelde Waarde	Waarde van private gebruik			
	Masjienkapasiteit			
	0– 1 600cc	1 601 – 2 000cc	2 001 – 3 000cc	Bo 3 000cc
	R	R	R	R
R50 001– R60 000	384	423	463	503
R60 001– R70 000	437	476	516	555
R70 001– R80 000	490	529	569	608
R80 001– R90 000	543	582	622	661
R90 001– R100 000	596	635	675	714
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R130 001– R140 000	807	846	887	926
R140 001– R150 000	860	899	940	979

Where the determined value of such vehicle exceeds the sum of R150 000, the value of private use for each such month shall be the amount determined for a vehicle with a determined value of R150 000 plus an amount of R53 for each completed amount of R10 000 by which such determined value exceeds R150 000.

Where the employee bears the cost of all fuel used for the purposes of the private use of the vehicle (including travelling between the employee's place of residence and his place of employment) the deemed monthly values shall be reduced by an amount of R67.

If the employee bears the full cost of maintaining the vehicle (including the cost of repairs, servicing, lubrication and tyres) the deemed monthly values shall be reduced by an amount of R41.

Issued by: The Commissioner for Inland Revenue, Cape Town

Enquiries: Mr R. P. van der Merwe (012) 325-2500 (Ext 374)

14 April 1989.

Waar die vasgestelde waarde van bedoelde voertuig die som van R150 000 te bowe gaan, die waarde van private gebruik vir elke bedoelde maand die bedrag vasgestel vir 'n voertuig met 'n vasgestelde waarde van R150 000 sal wees, plus 'n bedrag van R53 vir elke volle bedrag van R10 000 waarby bedoelde vasgestelde waarde R150 000 te bowe gaan.

Waar die werknemer die koste dra van alle brandstof gebruik vir doeleindes van die private gebruik van 'n voertuig (met inbegrip van reise tussen die werknemer se woonplek en werkplek) word die betrokke maandelikse waarde met 'n bedrag van R67 verminder.

Indien die werknemer die volle koste van die instandhouding van die voertuig dra (met inbegrip van die koste van herstelwerk, diens, smering en bande) word die betrokke maandelikse waarde met 'n bedrag van R41 verminder.

Uitgereik deur: Die Kommissaris van Binnelandse Inkomste, Kaapstad

Navrae: Mnr. R. P. van der Merwe (012) 325-2500 (Uitbreiding 374)

14 April 1989.

PRESS STATEMENT

by the

Commissioner for Inland Revenue

REGARDING THE INCREASE IN THE "PRESCRIBED RATE" FOR PURPOSES OF ANY INTEREST PAYABLE IN TERMS OF THE INCOME TAX ACT, 1962

In view of the upward movement of all interest rates, it is considered desirable that the rates prescribed in the definition of "prescribed rate" in section 1 of the Income Tax Act, 1962, should also be adjusted upwards by notice in the *Government Gazette.*

It is hereby notified for general information that in terms of a Government Notice published today, 14 April 1989, the Minister of Finance, Mr B. J. du Plessis MP, has increased with effect from 1 June 1989, the rate prescribed in paragraph (a) of the said definition from 12 per cent to 14 per cent and the rate prescribed in paragraph (b) of the said definition from 15 per cent to 18 per cent.

Issued by: The Commissioner for Inland Revenue, Cape Town

Enquiries: Mr J. J. Louw (021) 45-2813

14 April 1989.

PERSVERKLARING

deur die

Kommissaris van Binnelandse Inkomste

MET BETREKKING TOT DIE VERHOGING IN DIE "VOORGESKREWE KOERS" VIR DIE DOELEINDES VAN ENIGE RENTE WAT INGEVOLGE DIE INKOMSTEBELASTINGWET, 1962, BETAALBAAR IS

Vanweë die styging in rentekoerse oor die algemeen, word dit noodsaaklik geag dat die koerse soos voorgeskryf in die omskrywing van "voorgeskrewe rentekoers" in artikel 1 van die Inkomstebelastingwet, 1962, ook opwaarts aangepas word, deur middel van kennisgewing in die *Staatskoerant*.

Daar word hierby vir algemene inligting bekendgemaak dat ingevolge 'n Goewermentskennisgewing wat vandag, 14 April 1989, gepubliseer is, die Minister van Finansies, mnr. B. J. du Plessis LP, met ingang van 1 Junie 1989 die koers in paragraaf (a) van genoemde omskrywing vanaf 12 persent tot 14 persent verhoog het en die koers in paragraaf (b) daarvan vanaf 15 persent tot 18 persent.

Uitgereik deur: Die Kommissaris van Binnelandse Inkomste, Kaapstad

Navrae: Mnr. J. J. Louw (021) 45-2813

14 April 1989.

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INHOUD

Printed by and obtainable from the Government Printer, Bosman Street, Private Bag X85, Pretoria, 0001. Tel. 323-9731 × 267 or 269

Gedruk deur en verkrygbaar by die Staatsdrukker, Bosmanstraat, Privaatsak X85, Pretoria, 0001. Tel. 323-9731 × 267 of 269