

INCOME TAX ACT SECTIONS

6A. Medical scheme fees tax credit.—(1) In determining the normal tax payable by any natural person there must be deducted an amount, to be known as the medical scheme fees tax credit, equal to the sum of the amounts allowed to that natural person by way of rebates under [subsection \(2\)](#), subject to [subsection \(3A\)](#).

[[Sub-s. \(1\)](#) substituted by s. 8 of Act No. 15 of 2016 and by s. 5 (1) (a) of Act No. 23 of 2018 deemed to have come into operation on 1 March, 2018 and applicable in respect of years of assessment commencing on or after that date.]

Wording of Sections

(2) (a) The medical scheme fees tax credit applies in respect of fees paid by the person to—

a medical scheme registered under the Medical Schemes Act; or

(i)

a fund which is registered under any similar provision contained in the laws of any other country where the medical scheme is registered,

(ii)

[[Sub-para. \(ii\)](#) amended by s. 5 (1) (b) of Act No. 23 of 2018 deemed to have come into operation on 1 March, 2018 and applicable in respect of years of assessment commencing on or after that date.]

Wording of Sections

that relate to benefits from that fund in respect of that person or of any person that is a dependant of that person.

[[Para. \(a\)](#) amended by s. 5 (1) (b) of Act No. 23 of 2018 deemed to have come into operation on 1 March, 2018 and applicable in respect of years of assessment commencing on or after that date.]

Wording of Sections

(b) The amount of the medical scheme **fees tax credit** must be—

(aa) R347, in respect of benefits to the person, or if the person is not a member of a medical scheme or fund in respect of benefits to a dependant who is a member of a medical scheme or fund or a dependant of a member of a medical scheme or fund;

(i)

(bb) R694, in respect of benefits to the person, and one dependant; or

(cc) R694, in respect of benefits to two dependants; and

[[Sub-para \(i\)](#), (previously sub-paras. (i), (ii) and part of (iii)) substituted by s. 4 (1) of Act No. 42 of 2014, by s. 5 (1) of Act No. 13 of 2015, by s. 6 (1) of Act No. 13 of 2016, by s. 5 (1) of Act No. 14 of 2017, by s. 4 (1) of Act No. 21 of 2018, by s. 5 (1) (c) of Act No. 23 of 2018, by s. 4 (1) of Act No. 22 of 2020, by s. 3 (1) of Act No. 19 of 2021 and by s. 3 (1) of Act No. 19 of 2022 deemed to have come into operation on 1 March, 2022 and applicable in respect of years of assessment commencing on or after that date.]

Wording of Sections

R234, in respect of benefits to each additional dependant,

(ii)

[[Sub-para. \(ii\)](#) (previously part of sub-para. (iii)) substituted s. 4 (1) of Act No. 21 of 2018, by s. 5 (1) (c) of Act No. 23 of 2018, by s. 4 (1) of Act No. 22 of 2020, by s. 3 (1) of Act No. 19 of 2021 and by s. 3 (1) of Act No. 19 of 2022 deemed to have come into operation on 1 March, 2022 and applicable in respect of years of assessment commencing on or after that date.]

Wording of Sections

for each month in that year of assessment in respect of which those fees are paid.

8. Certain amounts to be included in income or taxable income.—(1) (a) (i) There shall be included in the taxable income of any person (hereinafter referred to as the “recipient”) for any year of assessment any amount which has been paid or granted during that year by his or her principal as an allowance or advance, excluding any portion of any allowance or advance to the extent that the allowance or advance or a portion of the allowance or advance is exempt from normal tax under section 10 (1) or has actually been expended by that recipient—

- (aa) on travelling on business, as contemplated in [paragraph \(b\)](#), unless an allowance or advance has been granted by an employer in respect of the use of a motor vehicle as contemplated in [paragraph 7 of the Seventh Schedule](#);

235. Evasion of tax and obtaining undue refunds by fraud or theft.—(1) A person who with intent to evade or to assist another person to evade tax or to obtain an undue refund under a tax Act—

- (a) makes or causes or allows to be made any false statement or entry in a return or other document, or signs a statement, return or other document so submitted without reasonable grounds for believing the same to be true;
- (b) gives a false answer, whether orally or in writing, to a request for information made under this Act;
- (c) prepares, maintains or authorises the preparation or maintenance of false books of account or other records or falsifies or authorises the falsification of books of account or other records;
- (d) makes use of, or authorises the use of, fraud or contrivance; or
- (e) makes any false statement for the purposes of obtaining any refund of or exemption from tax, is guilty of an offence and, upon conviction, is subject to a fine or to imprisonment for a period not exceeding five years.

(2) Any person who makes a statement in the manner referred to in [subsection \(1\)](#) may, unless the person proves that there is a reasonable possibility that he or she was ignorant of the falsity of the statement and that the ignorance was not due to negligence on his or her part, be regarded as being aware of the falsity of the statement.

[[Sub-s. \(2\)](#) substituted by s. 68 of Act No. 23 of 2015.]

Wording of Sections

(3) Only a senior SARS official may lay a complaint with the South African Police Service or the National Prosecuting Authority regarding an offence under this section.

[[S. 235](#) amended by s. 59 of Act No. 44 of 2014 deemed to have come into operation on 1 October, 2012. [Sub-s. \(3\)](#) substituted by s. 78 of Act No. 21 of 2012 and by s. 80 of Act No. 39 of 2013 deemed to have come into operation on 1 October, 2012.]

Wording of Sections

7B. Timing of accrual and incurral of variable remuneration.—(1) For the purposes of this section—

“**employee**” means an employee as defined in paragraph 1 of the Fourth Schedule;

“**employer**” means an employer as defined in paragraph 1 of the Fourth Schedule;

“**variable remuneration**” means—

- (a) overtime pay, bonus or commission contemplated in the definition of “remuneration” in paragraph 1 of the Fourth Schedule;
- (b) an allowance or advance paid in respect of transport expenses as contemplated in section 8 (1) (b) (ii) or (iii);

[[Para. \(b\)](#) substituted by s. 3 (1) (a) of Act No. 34 of 2019 with effect from 1 March, 2020 and applicable in respect of amounts accrued or expenditure incurred on or after that date.]

Wording of Sections

(c) any amount which an employer has during any year of assessment become liable to pay to an employee in consequence of the employee having during such year become entitled to any period of leave which had not been taken by the employee during that year;

(d) any night shift allowance;

[Para. (d) added by s. 3 (1) (b) of Act No. 34 of 2019 with effect from 1 March, 2020 and applicable in respect of amounts accrued or expenditure incurred on or after that date.]

(e) any standby allowance;

[Para. (e) added by s. 3 (1) (b) of Act No. 34 of 2019 and substituted by s. 2 (1) (a) of Act No. 20 of 2022 with effect from 1 March, 2023 and applicable in respect of amounts accrued or expenditure incurred on or after that date.]

Wording of Sections

(f) any amount paid or granted in reimbursement of any expenditure as contemplated in section 8 (1) (a) (ii); or

[Para. (f) added by s. 3 (1) (b) of Act No. 34 of 2019 and substituted by s. 2 (1) (a) of Act No. 20 of 2022 with effect from 1 March, 2023 and applicable in respect of amounts accrued or expenditure incurred on or after that date.]

Wording of Sections

(g) any amount of "remuneration" as defined in paragraph 1 of the Fourth Schedule (other than a bonus) that is determined based on the employee's work performance.

[Para (g) added by s. 2 (1) (b) of Act No. 20 of 2022 with effect from 1 March, 2023 and applicable in respect of amounts accrued or expenditure incurred on or after that date.]

(2) In determining the taxable income derived by any person during a year of assessment, any amount to which an employee becomes entitled from an employer in respect of variable remuneration **is deemed to**—

(a) accrue to the employee; and

(b) constitute expenditure incurred by the employer,

on the date during the year of assessment on which the **amount is paid to the employee by the employer**: Provided that where the employee is deceased before the date of payment, the amount is deemed to accrue to the employee and constitutes expenditure incurred by the employer, on the day during the year of assessment prior to the date of the employee's death.

[S. 7B inserted by s. 8 (1) of Act No. 22 of 2012 with effect from 1 March, 2013 and applicable in respect of amounts accrued or expenditure incurred on or after that date. Sub-s. (2) amended by s. 2 (1) (c) of Act No. 20 of 2022 with effect from 1 March, 2023 and applicable in respect of amounts accrued or expenditure incurred on or after that date.]

Wording of Sections