

THE GUILT TAX GUIDELINES FOR INDIVIDUAL TAXPAYERS - 2008

1. DEFINITIONS AND NOTES

- 1.1 Taxpayer: Any person or corporate entity liable for Guilt Tax.
- 1.2 Guilt tax: Tax payable on assets accrued by individual persons or corporate entities, as determined by the Government of the Republic of South Africa in terms of the Income Tax Act No. 58 of 2002: Section 1, 4, 17, 29bis, 29quat, Second Schedule: Paragraphs 1, 6(3), 23, 24, 32A, 35, 36, 39A and Fifth Schedule.
- 1.3 IRP 12(a): Tax return to be completed by individuals liable for Guilt Tax.
- 1.4 IRP 12(b): Tax return to be completed by corporate entities liable for Guilt Tax.
- 1.5 Taxable period: The period covered by Guilt Tax is defined as that period beginning on 6 April 1652 and extending up to the due date for annual Guilt Tax payments (see 1.6 below), divided by the lifespan of the taxpayer, multiplied by 50% of the combined lifespans of the taxpayer's parents.
- 1.6 Due date: The date by which Guilt Tax must be paid to the South African Revenue Service. The current due date is set at 28 February of each year. Changes to this date may be made from time to time in terms of the Income Tax Act No. 58 of 2002: Section 87.
- 1.7 Assets: For purposes of collection of Guilt Tax, assets are defined as
- (i) material goods with net capital value in excess of the total value of the taxpayer's annual net salary/wage income, or where the taxpayer is not categorised as a salary/wage earner in terms of the Income Tax Act No. 58 of 2002: Section 3, net capital value greater than R250 000;
 - (ii) the cumulative value of corporate assets as specified on certified annual company balance sheets from inception, multiplied by a factor of 3,25%, representing net profits accrued over the lifetime of the corporate entity.
- 1.8 Tax on assets: Guilt Tax payable on assets as defined in 1.7 above may be adjusted from time to time, in terms of the Income Tax Act No. 58 of 2002: Section 4bis.
- 1.9 This document contains tax tables for individual Guilt Taxpayers. Tax tables for corporate Guilt Taxpayers are available from "<http://www.nrs.gov.aza/guilttax/corporate>".

2. TAX TABLES FOR INDIVIDUAL GUILT TAX

- 2.1 Guilt Tax is calculated in terms of the following tax tables. It is important to note that once the monetary value of assets have been ascertained for purposes of determining the status of individuals/corporate entities as liable or not liable for Guilt Tax, this value plays no further role in the calculation of Guilt Tax.
- 2.2 Taxpayers wishing to contest the tax payable on their assets will have to demonstrate that
- (i) the asset concerned does not exist; and/or
 - (ii) the asset concerned is not under their control or available for their use. Since Guilt Tax is linked to assets for which documentary evidence trails exist within Government data repositories to which the South African Revenue Service has legally sanctioned access in terms of the Income Tax Act No. 58 of 2002: Section 3, the burden of proof will in all cases rest with the Guilt Taxpayer to demonstrate absence of liability.

Asset	Tax
Primary dwelling with more than two full bathrooms	23 000
Secondary dwelling	73 000
Any dwelling beyond secondary dwelling	340 000
Personal-use vehicle with retail value >R500,000.00	17 000
Garage attached to primary dwelling with space for more than two vehicles	22 000
Swimming pool in primary dwelling	19 500
MBA	42 000
PhD in Management Studies or equivalent	34 000
PhD in Economics or equivalent	34 000
PhD in Business Science or the equivalent	34 000
Master's degree or higher in Human Resource Management	21 000
Membership to a golf club	47 000
Leisure craft for use on inland or marine water bodies	17 5000
Gun or other weapon as defined in terms of the Firearms Control Bill B 34B-2000 currently before Parliament, or any subsequent legislation	10 000 (per weapon)
Land holdings > 5 hectares not under cultivation for commercial use or for communal subsistence use (as defined in the Communal Land Rights Bill of 2002, currently before Parliament, or any subsequent legislation)	275 000 (per excess hectare)
Wine cellar contents > 50 bottles/adult person resident in the dwelling where the cellar is located	2 400 (per 25 bottles excess)

3. DISPUTES AND PENALTIES

- 3.1 Disputes arising from the levying of Guilt Tax are subject to dispute resolution procedures as specified in the Voluntary Disclosure Programme and Taxation Laws First Amendment Act of 2007 of the Republic of South Africa.
- 3.2 Penalties for non-compliance with Guilt Tax legislation, for late payment of tax and/or for any attempts to subvert the aims and intentions of the Guilt Tax will be subject to penalties that may include, inter alia, confiscation of assets, community service, prison terms and levying of monetary fines. Taxpayers are referred to the Voluntary Disclosure Programme and Taxation Laws First Amendment Act of 2007 for details.