

South Africa's 2017 Budget

Shedding Light

ON THE BUDGET SPEECH

Finance Minister Pravin Gordhan delivered a hard-hitting message to all South Africans in his 2017 budget speech, warning of tough financial times ahead. In a nutshell: the rich are being taxed more, our sins are costing us more, and becoming a homeowner will cost you less. Let's have a look at the announcements that caused such a stir.

The announcements caused both positive and negative reactions.

Smiling...

- The tax-free threshold has been raised, from **R75 000** to **R75 750**.
- Properties sold for less than R900 000 will **NOT** pay estate duties.
- Allowance for tax-free savings accounts increased to **R33 000** (previously **R30 000**).
- An extra **R5 billion** will be awarded to higher education over the next three years.

Frowning...

- People earning more than **R1.5 million** p.a. will be taxed **45%**.
- People earning between **R708,000** and **R1.5 million** p.a. will be taxed **41%**.
- Fuel taxes have increased by **39c** per litre.
- Negotiations will continue around the sugar tax (to be implemented later this year).
- For the first time since 2010, tax revenue growth has **NOT** matched economic growth.

Whether celebrating or drowning your sorrows, we will All be **paying more** for our sins:

- Malt beer up by **12c** per 340ml
- Unfortified wine up by **23c** per 750ml
- Fortified wine up by **26c** per 750ml
- Sparkling wine up by **70c** per 750ml
- Ciders and alcoholic fruit beverages up by **12c** per 340ml
- Spirits up by **R4.43** per 750ml
- Cigarettes up by **R1.06** per packet of 20
- Cigars up by **R6.58** per 23g

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