

Plugging into...

2023 Budget Speech Highlights

Company



- From **1 March 2023**, businesses will be able to reduce their taxable income by **125%** of the cost of an investment in renewables.
- There will be no thresholds on the size of the projects that qualify. The incentive will be **available for 2 years** to stimulate investment in the short term.



- To ease the impact of the electricity crisis on food prices, the refund on the Road Accident Fund **levy for diesel used in the manufacturing process**, e.g. for generators, will be extended to manufacturers of foodstuffs.
- This takes effect **from 1 April 2023 for 2 years**.

Individual



Personal income tax brackets will be fully adjusted for inflation, which will increase the tax-free threshold from R91 250 to R95 750.



- Individuals who install rooftop solar panels **from 1 March 2023** will be able to claim a rebate of **25% of the cost of the panels**, up to a **maximum of R15 000**.
- This can be used to reduce their tax liability in the 2023/24 tax year.
- This incentive will be available **for 1 year**



Medical tax credits will be increased by inflation, to **R364 per month** for the first 2 members, and to **R246 per month** for additional members.



- The retirement tax tables for lump sums withdrawn before retirement, and for lump sums withdrawn at retirement, will be adjusted upwards by **10%**.
- This means that the tax-free amount that can be withdrawn at retirement **increases to R550 000**.



The brackets of the transfer duty table will also be increased by 10%, **allowing properties below R1.1 million to avoid any transfer duty payments**.



- The old age and disability grants increase by **R90 on 1 April 2023** and a **further R10 on 1 October 2023**.
- The result is a **total increase to R2 090**.

Economy



A total **debt-relief** arrangement for Eskom of **R 254 billion**.



- Tax revenue collections for 2022/23 are expected to **total R1.69 trillion**.
- This **exceeds** the 2022 Budget estimate by **R93.7 billion**, and the 2022 MTBPS estimate by **R10.3 billion**.
- Over the medium-term, revenue projections are **R6 billion higher** than the estimates of the 2022 MTBPS.



Government will provide **tax relief of R13 billion**.



The South African Police Service is allocated **R7.8 billion** to appoint **5 000 police trainees** per year.



- The FATF Plenary will make its decision later this week on whether or not to put South Africa **under increased monitoring**, otherwise known as **grey listing**.
- We should be prepared for that possibility.

