

# GROSS INCOME



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Learning



**TOTAL AMOUNT, IN CASH OR OTHERWISE, RECEIVED BY OR ACCRUED TO A PERSON. NOT OF A CAPITAL NATURE.**

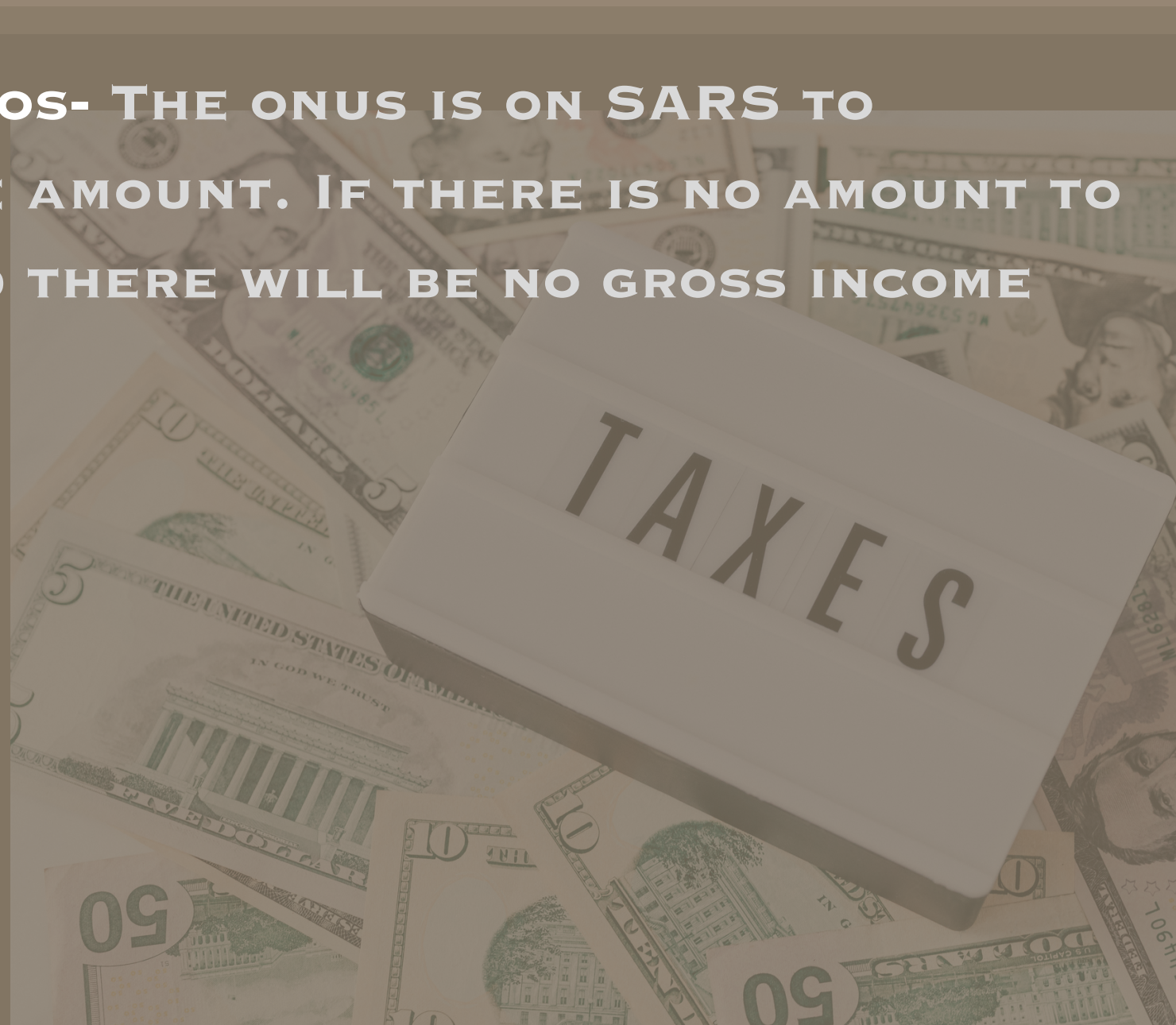


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# TOTAL AMOUNT

**1. LATEGAN- THE WORD AMOUNT INCLUDES ANY FORM OF PROPERTY WITH AN ASCERTAINABLE MONETARY VALUE, INCLUDING DEBT AND RIGHTS.**

**2. BUTCHER BROS- THE ONUS IS ON SARS TO DETERMINE THE AMOUNT. IF THERE IS NO AMOUNT TO BE DETERMINED THERE WILL BE NO GROSS INCOME**



# RECEIVED BY

**1. GELDENHUYS-** THE AMOUNT IS ONLY INCLUDED IN GROSS INCOME BY A TAXPAYER ONLY IF IT IS RECEIVED BY HIM ON HIS OWN BEHALF FOR HIS OWN BENEFIT

**2. MP FINANCE GROUP CC-** A BILATERAL RECEIPT (THE OTHER PARTY WILLINGLY GIVES YOU THE MONEY) THAT IS USED FOR YOUR OWN INTENTION MEANS IT HAS BEEN RECEIVED BY YOU. YOU INTENDED TO USE IT FOR YOUR OWN BENEFIT.

**3. PYOTT-** A DEPOSIT IS ONLY TREATED AS NOT BEING RECEIVED IF THE MONEY IS KEPT SEPARATELY IN A TRUST ACCOUNT, FOR THE BENEFIT OF A CUSTOMER



# ACCRUED TO

**1. PEOPLES STORES- ACCRUED TO= ENTITLED TO. YOU INCLUDE AN AMOUNT IN GROSS INCOME WHEN YOU ARE ENTITLED TO THE MONEY AND NOT WHEN YOU RECIEVE THE MONEY.**

**2. WITSWATERSRAND ASSOCIATION OF RACING CLUBS- AN AMOUNT ACCRUES TO A TAXPAYER IF THE TAXPAYER HAS NO LEGAL OBLIGATION TO PAY IT OVER (ONLY MORAL OBLIGATION) TO ANOTHER PERSON**

**3. MOOI- ACCRUED TO= UNCONDITIONALLY ENTITLED TO THE AMOUNT**



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# NOT OF A CAPITAL NATURE

1. VISSER- TREE VS. FRUIT: THE ECONOMIC MEANING OF INCOME AND CAPITAL EXCLUDES ONE ANOTHER. INCOME IS WHAT CAPITAL PRODUCES.

THE TREE IS SEEN AS THE CAPITAL STRUCTURE OF THE BUSINESS AND THE FRUIT THE RESULT OF THE INCOME EARNING ACTIVITY. THUS RECEIPTS FOR SELLING THE TREE IS CAPITAL IN NATURE AND RECEIPTS FOR SELLING FRUIT IS REVENUE IN NATURE FOR SELLING FRUIT IS REVENUE IN NATURE



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# NOT OF A CAPITAL NATURE

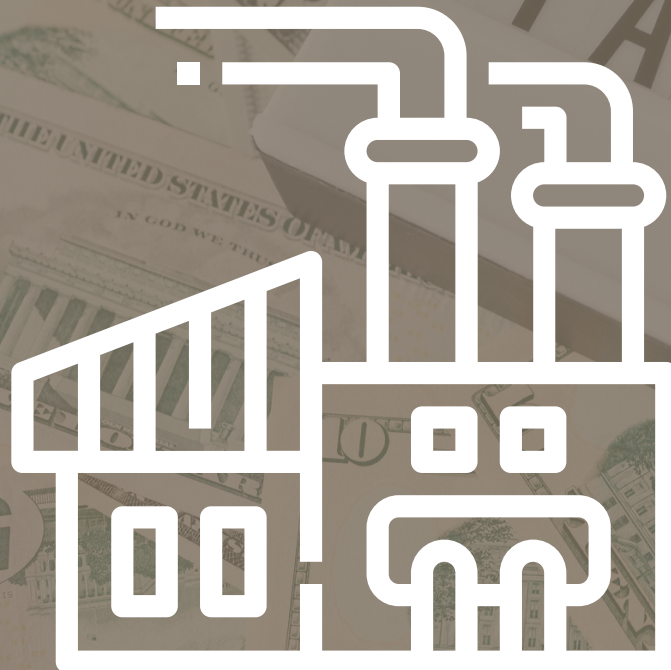
**1. GEORGE FOREST TIMBER- ALL ASSETS ARE EITHER CLASSIFIED AS FIXED OR FLOATING CAPITAL.**

**FLOATING CAPITAL IS CONSUMED IN THE VERY PROCESS OF PRODCUTION, WHILE FIXED CAPITAL IS NOT. FIXED CAPITAL IS THE STRUCTURE THAT ENABLES INCOME TO BE GENERATED.**

**THE SALE OF FIXED CAPIAL GIVES RISE TO CAPITAL PROCEEDS AND THE SALE OF FLOATING CAPITAL GIVES RISE TO REVENUE**



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# Exam technique

1. State the issue
2. State the court case
3. Give the principle of the court case
4. Application (apply the principle of the court case to the issue)
5. Conclude

