

## THE BASIC AMOUNT

- Basic Amount = Latest assessed taxable income
- Assessment older than 18 months then increase basic amount by 8% per year
- Assessment should be at least be assessed 14 days before provisional due date

1

## BASIC AMOUNT EXCLUSIONS

- Capital gains for all taxpayers
- Lump Sums / Severance Benefits for natural person.

2

## THE 1ST CALC

The first payment is calculated using the estimated taxable income (basic Amount) less normal tax deductions x tax rate. The tax amount is divided by 2 to arrive at the first payment amount

3

## THE 2ND CALC

An assessment is performed to determined significant changes from the first calc to the 2nd calc. Normal tax is then calculated and the first payment is deducted to arrive at the second payment

4

## PENALTIES

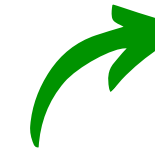
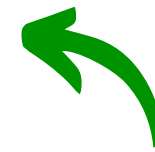
- Taxable Income > R1 million - 20% ( normal tax on 80% of income - provisional tax paid)
- Taxable Income < R1 million - 20% ( lessor of (90% of tax on income / normal tax on basic amount) - provisional tax paid)

5

## TOP TIPS

- A payment is due **every** 6 months
- A third payment can be made before the assessment is due
- Normal tax principles apply, just income is estimated

6



**PROVISIONAL  
TAX**

