



## THE 2016 NATIONAL BUDGET

THE GOOD NEWS

THE BAD NEWS

...AND THE UGLY (SIN TAXES)

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## South Africa's 2016 Budget

It came as quite a pleasant surprise when Minister Pravin Gordhan announced in his budget speech that income tax would not be increasing this year. But there's always a flip side to every coin. So, what else was said on 24 February that will affect your pocket in the months to come?

***Have a look at our simple graphic summary on the next page to find out more about what has changed.***

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# THE 2016 NATIONAL BUDGET

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### The Good

- Personal income tax rates remain the **same**.
- **No** austerity measures.
- **Tax relief** for low and middle income earners.
- Social grants are being **raised**.
- Education will receive almost **R842 billion** in total.
- Money has been set aside for **drought relief**.
- Tax credits on medical scheme contributions have **increased**.

### The Bad

- Increased fuel levy (up by 30 cents per litre as of 6 April): R2.85 for petrol and R2.70 for diesel.
- **Increases** in capital gains tax and property transfer tax.
- A **7%** increase in the tax on alcohol and tobacco.
- A new **tyre levy** will be introduced in October this year.
- Next year April will see the introduction of a **tax on sugary soft drinks** as well.

### The Sinful

Beer 11c/340ml

Fortified wine 27c/750ml

Spirits 394c/750ml

Cigarettes 82c/packet of 20

Pipe tobacco 27c/25g

Ciders and alcoholic fruit beverages 11c/340ml

Unfortified wine 18c/750ml

Sparkling wine 59c/750ml

Cigarette tobacco 94c/50g

Cigars 432c/23g